SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Public Hearing Notice

Regional Housing Needs Assessment (RHNA) Proposed Allocation Methodology

Conducted pursuant to CA Government Code Section 65584.04

Wednesday, October 19, 2011
3:00 p.m. – 6:00 p.m.*

Southern California Association of Governments (SCAG)
Contact: Ma'Ayn Johnson 213-236-1975

SCAG Main Office
818 W. 7th Street, 12th Floor
Board Room
Los Angeles, CA 90017

Public Notice is hereby given that the Southern California Association of Governments (SCAG) will conduct the second of two public hearings relating to the Regional Housing Needs Assessment (RHNA) Proposed Regional Allocation Methodology, at the date, time, and location identified above. Members of the public may also participate via video-conference at the following locations:

IMPERIAL COUNTY REGIONAL OFFICE
1405 N. Imperial Avenue, Suite 1
El Centro, CA 92243

RIVERSIDE COUNTY REGIONAL OFFICE
3403 10th Street, Suite 805
Riverside, CA 92501

VENTURA COUNTY REGIONAL OFFICE
950 County Square Drive, Suite 101
Ventura, CA 93003

CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

SAN BERNARDINO-HESPERIA
County of San Bernardino High Desert Government Center
15900 Smoke Tree Street, 1st Floor, Training Room B
Hesperia, CA 92345

ORANGE COUNTY REGIONAL OFFICE
600 South Main Street, Suite 912
Orange, CA 92863
(Due to the limited size of the Orange County Regional Office 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.)

SAN BERNARDINO COUNTY REGIONAL OFFICE
1170 West 3rd Street, Suite 140
San Bernardino, CA 92410

COACHELLA VALLEY COUNCIL OF GOVERNMENTS (CVAG)
73-710 Fred Waring Dr., Suite 200
Palm Desert, CA 92260

This public hearing is being held pursuant to California Government Code Section 65584.04 and SCAG's public participation policies. This public hearing is part of SCAG's efforts relating to the Fifth Cycle of the RHNA process and preparing a RHNA Plan as required by the State in order for local jurisdictions to prepare updated General Plan Housing Elements.

This public hearing will provide information regarding SCAG's proposed RHNA allocation methodology, as further described in the attachment to this Notice. The public hearing serves as an opportunity for any member of the public to provide comments or testimony regarding SCAG's proposed RHNA allocation methodology. Additional information relevant to this public hearing may be found at: http://www.scag.ca.gov/housing/rhna/index.htm

***Please Note:** SCAG reserves the right to conclude this public hearing before 6:00 p.m. in the event that members of the public have fully participated in the public hearing and have had an opportunity to provide public testimony.

Notice Posted: September 15, 2011

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Regional Housing Needs Assessment (RHNA) Proposed Allocation Methodology

Proposed RHNA Methodology Contents Table	Action Date
A) Existing Housing Needs 1. Current household income distribution 2. Effective vacancy rates 3. Demolition data 4. Household by tenure 5. Overcrowding 6. Overpaying households 7. Households with problems 8. Householder by age, gender and ethnicity 9. At-risk units 10. Employment data	August 12 RHNA Subcommittee
B) Projected Housing Need 1. Projected Regional Total Housing Need a. Population, household and headship rate b. Tribal lands c. Healthy market vacancy rates d. Replacement need e. "Excess" vacancy adjustment	August 2011, HCD
2. RHNA Allocation Methodology a. Social equity adjustment	June 24 RHNA Subcommittee
b. Local planning factors • Availability of land suitable for urban development (B1a) • Lands protected from urban development (B1a) • County policies to preserve agricultural land (B1a) • Market demand for housing (B1e) • Loss of units contained in assisted housing developments (A9) • Housing needs of farmworkers (A10)	August 12 RHNA Subcommittee
3. Interactions between the RHNA and RTP/SCS Development Processes	August 12 RHNA Subcommittee
4. Integrated Growth Forecast Process and Results for 2012 RTP/SCS and RHNA	August 12 RHNA Subcommittee

Proposed RHNA Methodology

SB375 requires SCAG's Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) and Regional Housing Needs Assessment (RHNA) to be developed under an integrated process—one process that will facilitate internal consistency amongst these policy initiatives, while also fulfilling the multiple objectives required by the applicable laws and planning regulations.

As the region's Council of Governments, SCAG is responsible for the development of the 2012 RTP/SCS and allocation of the state-determined regional housing needs amongst all local jurisdictions in the SCAG region. SCAG and the state Department of Housing and Community Development (HCD) officially started the consultation process to determine the total housing needs for the SCAG region on June 20, 2011. The determination of the appropriate level of population projections and housing needs, subject to HCD approval, may not be finalized until the end of August.

This report describes the Data/GIS and Integrated Growth Forecast process, methodology, and results that will serve as the framework and foundation for the 2012 RTP/SCS development, and will also be used to produce the RHNA Allocation Methodology. All key elements of the RHNA methodology, which are similar to the methodology adopted in the last cycle of RHNA, are presented in detail in the later portion of this report.

The Stepwise Procedure of RHNA Allocation Methodology

The RHNA proposed methodology will apply following components and steps:

(1) Each jurisdiction's projected housing needs or its RHNA allocation is determined by three components: (a) projected household growth, (b) healthy market vacancy need, and (3) housing replacement need

(2) Projected household growth for each jurisdiction should be consistent with 2012 RTP/SCS Integrated Growth Forecast process and results (See Appendix IV for Preliminary Allocation as of May 13, 2011, subject to further discussion with local jurisdictions, additional refinement and adjustment consistent with 2012 RTP/SCS development process and results)

(3) Healthy market vacancy need is determined by applying 1.5%-owner vacancy rate and 4.5%-renter vacancy rate to each jurisdiction's projected household growth, split by the proportion of owner occupied units and renter occupied units from the 2010 Census

(4) Replacement need is determined by applying each jurisdiction's share of SCAG's historical demolitions to the region's housing replacement need, as determined by the Department of Housing and Community Development (HCD). Jurisdictions' share of the region's demolitions will be derived using historical demolitions data from the Department of Finance (DOF), which will be adjusted according to local input gathered through SCAG's Housing Unit Demolition Survey. SCAG will account for 0.5% replacement need for the region (See Appendix V).

(5) Determine the portion of each jurisdiction's projected housing needs, or RHNA allocation that can be met with "excess" vacant units in their existing housing stock

(6) Provide income distribution for each jurisdiction to allocate housing needs into four income categories, consistent with the 110% fair-share/over-concentration adjustment policy as adopted by SCAG's RHNA Subcommittee and CEHD (See Appendix VI).

In addition, the proposed RHNA methodology will address potential RHNA transfers due to future annexations by assessing future growth within spheres of influence areas. For any annexation areas outside a sphere of influence, the proposed methodology recognizes the existence of the small area dataset used for Regional Transportation Plan/Sustainable Communities Strategy modeling as a framework to derive the potential RHNA transfers in those specific areas. The jurisdictional boundaries as the starting point for this analysis will be based on the dataset as of January 1, 2011 and any future changes thereafter.

The key RHNA methodology components are summarized below:

(1) Existing Housing Needs
(2) Projected housing needs for the RHNA planning period(currently under consultation with HCD)
    (i) Total Regional Housing Needs Determination (as determined through SCAG's consultation with HCD)
    (ii) RHNA Allocation Methodology
        - Projected household growth and AB 2158 factors
        - Healthy market vacancy need
        - Housing replacement need
        - The amount of excess vacant units in a jurisdiction's existing housing stock
(3) The interactions between the RHNA process and the RTP/SCS development process
    (i) Housing planning needs to be coordinated and integrated with the regional transportation plan
    (ii) To achieve this goal, the RHNA allocation plan shall distribute housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS).
    (iii)The SCS shall identify areas within the region sufficient to accommodate an eight-year projection of the regional housing needs for the region pursuant to Government Code Section 65584 (RHNA);
(4) SCAG 2012 Integrated Growth Forecast Process and results for RTP/SCS and RHNA

Existing Housing Needs

Approach to addressing existing housing needs in the SCAG Region

To meet the requirements of assessing existing housing needs and to help local jurisdictions prepare potential updates to their housing elements, SCAG has committed to collaborate with other government agencies, stakeholders, and local jurisdictions to process data from the 2010 Census along with housing related statistics from other sources for the purpose of providing value-added information as required by housing law. Statistics required to meet the existing housing needs include:

(1) Local jurisdiction's share of the regional housing needs in accordance with Section 65584
(2) Statistics on household characteristics, including over-payment, overcrowding, and housing stock condition
(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment
(4) An analysis of any special housing needs, such as elderly, persons with disabilities, large families, farm workers, families with female heads of households, and families and persons in need of emergency shelter
(5) Statistics on existing assisted housing developments

The data set described above was distributed in draft form to stakeholders, interested parties, and on SCAG's RHNA webpage in late July 2011. See Appendix I: (http://scag.ca.gov/Housing/pdfs/rhna/DraftStatisticsExistingHousingNeed071811.pdf).

Projected Regional Total Housing Needs for RHNA Planning Period

Before HCD determines the total housing needs and its allocation by income category for the SCAG region, Government Code 65584.01 provides a procedure and process to guide the consultation process between SCAG, the state Department of Finance (DOF), and HCD to reach the determination. The stepwise methodologies are as follows:

(1) Determine SCAG's regional population growth for the RHNA projection period
(2) Determine the headship rate
(3) Determine SCAG's regional household growth by applying the headship rate to population growth
(4) Subtract population and household growth located on Tribal Lands
(5) Determine the healthy market vacancy rates for both owner-occupied (1.5%) and renter-occupied housing units (4.5%)
(6) Determine the data and methodology that will be used to estimate the housing replacement need (currently, applying 0.7% to projected household growth)
(7) Total SCAG regional housing needs = [household growth / (1 – healthy market vacancy rate)] + housing replacement need]
(8) Apply "excess" vacant units in existing housing stock to partially meet SCAG's total RHNA need
(9) Total housing needs breakdown by income category [Above moderate (>120%), Moderate (80%-120%), Lower (50%-80%), and Very Low (<50%)] based on county median household income (MHI)[1]from the 2005-2009 American Community Survey (ACS)

Based on the 2012 RTP/SCS Integrated Growth Forecast process and results, staff presented the Draft HCD/DOF consultation packet to the RHNA Subcommittee on May 27, to CEHD on June 2, and officially begun the consultation process with HCD on June 20, 2011.

The RHNA Allocation Methodology

The Allocation Methodology is the tool used to assign each jurisdiction in the SCAG region its share of the region's total housing needs. No more than six months before the adoption of the RHNA Allocation Methodology, SCAG has to conduct a survey of all local jurisdictions on the factors described below, which shall be used to develop the Allocation Methodology.

A survey was distributed to all local jurisdictions in mid-June 2011 requesting information on the factors listed in Section 65584.04(d). Eighty-four (out of 197) jurisdictions responded to the survey and staff reviewed the responses to develop the proposed methodology (*See Appendix II for the complete survey responses of RHNA allocation planning factors from all jurisdictions*).

(1) Existing and projected jobs and housing relationship

[1] According to 5-year ACS average data, the estimated SCAG region MHI=$58,271. The estimated MHI for SCAG region counties are: Imperial ($37,595), Los Angeles ($54,828), Orange ($73,738), Riverside ($58,155), San Bernardino ($55,461), and Ventura ($74,828). All figures are in 2009 dollar.

(2) The opportunities and constraints to develop additional housing in each member jurisdiction, including all of the following:
    (i) Lack of capacity for sewer or water service
    (ii) 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
    (iii) Lands preserved or protected from urban development
    (iv) County policies to preserve prime agricultural land
(3) The distribution of household growth assumed for purposes of a comparable period of RTP and opportunities to maximize the use of public transportation and existing transportation infrastructure
(4) The market demand for housing
(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county
(6) The loss of units contained in assisted housing developments
(7) High housing costs burdens
(8) The housing needs of farmworkers
(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction
(10) Any other factors adopted by the council of governments

The proposed RHNA methodology must also address the goals of state housing law in Government Code Section 65584 (d), including:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner
(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns
(3) Promoting an improved intraregional relationship between jobs and housing
(4) Allocating a lower proportion of housing needs to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census

The state housing goal #4 listed above was addressed by the RHNA Subcommittee in their meeting on June 24 through the adoption of moving 110% towards county distribution in each of its four income categories for all local jurisdictions in SCAG region, which was the same adjustment used in the 4th cycle of RHNA. Housing goals #1 to #3 as well as all RHNA allocation planning factors were generally addressed through the 2012 RTP/SCS Integrated Growth Forecast process and the results are described in the following section.

As presented in the HCD/DOF consultation packet, the SCAG growth projection framework and methodology directly and explicitly calls for providing adequate housing to accommodate all population growth, taking into account natural increases, domestic and international migration, and employment growth. First, population growth is consistent with employment growth through labor force participation and implied unemployment. Second, appropriate headship rates benchmarked with the latest Census information were applied to convert population growth into household formation. As a result of this procedure, both population and workers are closely linked with employment growth, and their demands on housing opportunities are also adequately addressed.

In addition, historical data on the flow of commuters/workers indicates that the region has been housing an

increasing number of workers for jobs located outside the SCAG region. The excess or the difference between the number of workers living in the SCAG region and taking jobs outside the region versus the number of workers commuting into the region for jobs increased 14 fold- from 4,280 in 1980 to 59,921 in 2008. Thus, the region continues to increase the housing supply and the mix of housing types, tenure, and affordability not only in all cities and counties within the region in an equitable manner, but also to address housing needs for workers commuting for jobs located outside of the SCAG region.

The Integrated Growth Forecast process and results derived through the 2-year (May 2009 to July 2011) top-down and bottom-up process basically provide one growth pattern scenario (along with an associated RHNA Allocation Plan). While local considerations and SCAG's survey of RHNA allocation planning factors were incorporated as part of the current version of SCAG's RHNA Allocation Methodology, information and input received from these workshops and additional discussions and comments with individual jurisdictions, after further assessment by SCAG staff and policy committees, could affect and shape the draft regional housing needs allocation methodology and allocation outcome.

Development of Allocation Methodology

For the purposes of undertaking RHNA and developing an Allocation Methodology, SCAG utilized the information generated as part of the development of the regional Draft Integrated Growth Forecast. The Draft Integrated Growth Forecast of household growth in 2021 is the starting basis for RHNA planning. At the regional level, the total regional household growth that is projected between 2011 and 2021, plus vacancy and housing replacement adjustment, is the draft projected housing needs for the region (see below for detail).

The household forecast for each county in the year 2021 provided by the Draft Integrated Growth Forecast is the foundation of the RHNA allocation plan at the county level. Similarly, the household forecast for each jurisdiction in the year 2021, including unincorporated areas within each county, forms the basis of the RHNA allocation plan at the jurisdictional level.

Each jurisdiction's household distribution, which uses county level median household income based on 2005-2009 5-year ACS data, is the starting point for the RHNA housing allocation plan by income category.

Based upon staff's evaluation and assessment of local jurisdictions' responses to the survey of RHNA allocation planning factors, it is concluded that all factors listed above have been adequately addressed through the 2012 RTP/SCS Integrated Growth Forecast process and are reflected in the current version of the regional housing needs allocation plan.

Consideration of several RHNA allocation planning factors has been incorporated in the Draft Integrated Growth Forecast by way of analysis of aerial land use data, employment and job growth data from InfoUSA's employment database, data from the Census Transportation Planning Package (CTPP), local general plan data, parcel level property data from each county's tax assessor's office, building permit data, demolition data and forecast surveys distributed to local jurisdictions.

However, because the Draft Integrated Growth Forecast alone arguably does not adequately address some of the RHNA allocation planning factors, such as the loss of units contained in assisted housing developments and the housing needs for farm workers, the Allocation Methodology will depend on obtaining additional information from local jurisdictions regarding the RHNA allocation planning factors and also on the outcome of RTP/SCS development as a result of SCAG's subregional workshops. RHNA allocation planning factors that are not adequately incorporated in the Integrated Growth Forecast process may be addressed by adding data and/or statistics from 2010 Census, ACS, or other information sources to the

"Existing Needs" portion of the RHNA.

As of August 25, 2011, 84 jurisdictions have responded to the local planning factor survey. Based on the comments received, SCAG does not recognize the need to refine the proposed RHNA methodology at this point in time. The RHNA allocation planning factors have been considered in the draft Integrated Growth Forecast process as follows:

(1) Each member jurisdiction's existing and projected jobs and housing relationship

Staff evaluation and assessment of responses from SCAG's survey to local jurisdictions indicated that the Integrated Growth Forecast process and results have adequately addressed and maintained the existing and projected jobs/housing balance for most of the counties, subregions, and cities in the SCAG region. However, the jobs/housing balance issue may need to be further discussed through the RTP/SCS process to credibly promote additional job growth in areas where desirable job housing ratios are difficult to achieve.

The resulting job/housing relationships show a gradual improvement for all local jurisdictions throughout the forecasting/planning horizon. In addition, spatial distribution of SCAG's job/housing ratio can be analyzed by the Index of Dissimilarity (IOD). An IOD ranges from 0 to 1. If IOD is 0, then the region is perfectly balanced because each subarea will be exactly the same as the regional figure. If IOD is 1, then the region is completely imbalanced, meaning that there is great diversity from one zone to the next. Using the IOD to analyze the Integrated Growth Forecast, it can be seen that growth from 2011 to 2021 shows improvement in jobs/housing balance throughout the SCAG region (See Appendix III, Job/Housing Balance and Index of Dissimilarity Analysis).

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following, (i) lack of sewer or water service due to laws or regulations, (ii) the availability of land suitable for urban development or for conversion to residential use, (iii) lands preserved or protected from urban development under governmental programs designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, and (iv) county policies to preserve prime agricultural land within an unincorporated area.

Consideration of the above planning factors has been incorporated into the Integrated Growth Forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data from tax assessor's office, open space, agricultural land and resources areas, and forecast surveys distributed to local jurisdictions. The Integrated Growth Forecast process started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All subregions and local jurisdictions were invited to provide SCAG their respective growth perspective and inputs. In addition, Transit Priority Project growth opportunity areas defined by Public Resources Code and transportation efficient places as defined by mortgage & transportation costs efficient areas are identified throughout the region to redirect growth that favors an urban form consistent with equity, efficiency, regional mobility, and air quality goals.
ftp://javierm:scag123@data.scag.ca.gov/Data_Map_Guide_Example.zip

Moreover, staff evaluation and assessment of responses from this survey of local jurisdictions concluded that the above factors may need to be further considered before a draft housing needs allocation is determined for a few jurisdictions. SCAG's Integrated Growth Forecast process and results have adequately incorporated these factors for almost all counties and cities in the SCAG region.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure

The current version of projected household growth and distribution is consistent with the Integrated Growth Forecast process and results, and is also used to develop the 2012 RTP/SCS. As mentioned above, Transit Priority Project growth opportunity areas defined by Public Resources Code and transportation efficient places as defined by mortgage and transportation costs efficient areas are identified throughout the region for each local jurisdiction to redirect growth favoring an urban form consistent with equity, efficiency, regional mobility, and air quality goals. ftp://javierm:scag123@data.scag.ca.gov/Data_Map_Guide_Example.zip

(4) The market demand for housing

All indicators of market demand, such as trends of building permits, household growth, employment growth and population growth are built into the forecasting methodology and model throughout all geographic levels. In addition, SCAG's Integrated Growth Forecast process and results have incorporated the latest economic statistics and updated data from the 2010 Census. Yet from staff evaluation and assessment of jurisdictions' responses to the AB 2158 factors survey, local jurisdictions are all concerned about the continuing weakness and depressed state of the housing market, and anticipate very negative impacts on economic and job growth. All these point to a persistent high level of vacancy rates, if not higher, in the foreseeable future. SCAG researched the number of "excess" vacant units from for sale, for rent, and from other vacant units and it was proposed to HCD to use these "excess" units to partially meet the projected future housing needs in the region, which will help all counties and cities in the SCAG region to effectively address their concerns.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county

This is addressed through an extensive survey of all local jurisdictions and subregion/local jurisdiction inputs/comments process. In addition, a GIS/Data packet including agricultural lands, Spheres of Influence (SOI), open space, etc,. were produced and provided to each local jurisdiction and subregion as a basis to develop the RTP/SCS and RHNA.

Moreover, staff's evaluation of responses from the local jurisdiction survey concluded that agreement between a county and cities in a county to direct growth toward incorporated areas of the county only occurred in Ventura County, and it has been adequately addressed and incorporated into the Integrated Growth Forecast process and results through bottom-up input received from Ventura County local jurisdictions.

(6) The loss of units contained in assisted housing development.

The conversion of low-income units into non-low-income uses is not explicitly addressed through the Integrated Growth Forecast process. Staff has provided statistics to local jurisdictions on the potential loss of units in assisted housing developments. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole.

In addition, staff's assessment and evaluation of responses from the survey of this factor concluded that local jurisdictions had provided adequate documentation and discussion about their assisted

affordable units and potential losses, and as was in last cycle of RHNA is best addressed through combining an existing housing needs statement giving local jurisdictions the discretion to deal with this factor. This factor will not be addressed as part of SCAG's Allocation Methodology. Instead, SCAG will provide the data for this factor to local jurisdictions to adequately plan for the loss of at risk low income units in preparing their housing elements.

(7) High-housing costs burdens.

The collapse of the sub-prime mortgage market in 2007 was one of the key factors causing the Great Recession. Currently the housing market remains severely depressed; the volume of transactions, prices, and permits issued are all at historical lows. In contrast, the housing affordability is at historical high due to high inventory of distressed properties from foreclosures. Thus current concerns on the housing market were translated into the Integrated Growth Forecast process and results are primarily focused on job growth and reductions in unemployment rates, such that people can afford housing in the future and will form new households. This is consistent with staff evaluation and assessment of jurisdictions' responses of the local planning factor survey that jurisdictions are concerned about the continuing weakness and depressed state of the housing market, and their negative impacts on economic and job growth. All these issues pointed to a persistent high level of vacancy rates, if not higher, in the foreseeable future. SCAG's analysis of "excess" vacant units from for sale, for rent, and from other vacant units and the proposal to HCD to use these "excess" units to partially meet the projected future housing needs in the region will help all local jurisdictions to effectively address their concerns.

(8) The housing needs of farm workers.

The Integrated Growth Forecast provides projection of agricultural jobs (wage and salary jobs plus self employment) by place of work. The corresponding requirements of workers were also provided by place of residence. There is no information regarding the forecasts of migrant workers.

The housing needs of farm workers are not always included in a housing Allocation Methodology. Farm worker housing needs are concentrated geographically and across farm communities in specific SCAG region counties and sub areas. However, staff evaluation and assessment of responses from the local planning factor survey indicate that farm worker housing needs are only applicable to a few jurisdictions, and have been mostly addressed locally. As the policy adopted in the last cycle of RHNA combines an existing housing needs statement with giving local jurisdictions the discretion to deal with farm worker housing needs, this factor will not be formally addressed in SCAG's Allocation Methodology. Instead, SCAG will provide the farm worker housing needs data for local jurisdictions to adequately plan for such need in preparing their housing elements. These data include:

- Farm workers by Occupation
- Farm workers by Industry
- Place of work for Agriculture

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

Staff prepared enrollment estimates for private university or a campus of California State University or the University of California by SCAG region cities and counties as part of the statistics for existing housing needs. Also, from assessment and evaluation of local jurisdiction's responses to the

local planning factor survey, most housing needs related to university enrollment are addressed and met by on-campus dormitories provided by universities; no jurisdictions expressed concerns about student housing needs due to presence of universities in their communities.

(10) Others factors adopted by the council of governments.

To date, SCAG has not adopted any other planning factors to be considered as part of the allocation methodology.

The Interactions between GC65584 Process (RHNA) and the RTP/SCS Development Process

As required by housing law, housing planning needs to be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy (SCS), and the SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing needs for the region pursuant to Section 65584.

SCAG, in cooperation with the respective subregions within the SCAG region, will conduct two dozen or so public workshops by August 2011 for local jurisdictions, members of the public, and interested parties to provide input to SCAG with regard to:

- Developing the *draft* 2012 RTP/SCS and RHNA
- Refining SCAG's initial assessment of the growth and housing capacity of cities as reflected in the Integrated Growth Forecast and land uses through development types as required for the development of the RTP/SCS and RHNA.

Staff intends to presents its analysis of the information/input gathered from the workshops, and determine whether they affect the proposed Draft RHNA Allocation Methodology.

Finally, as required by GC65584.04 (d) staff will also present information regarding any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments who are willing to accept a higher share than proposed in the draft allocation.

Integrated Growth Forecast Process and Results for 2012 RTP/SCS and RHNA

Please see Appendix VII.

APPENDICES:

I. ***Draft Statistics for Existing Housing needs: the 5th Cycle of Regional Housing Needs Assessment (RHNA)***

II. ***Complete Survey Responses of Local Planning Factors from All Jurisdictions***

III. ***Job/Housing Balance and Index of Dissimilarity Analysis of SCAG Integrated Growth Forecast Result***

IV. ***Preliminary Projected Household Allocation as of May 13, 2011 version, subject to further discussion with local jurisdictions, additional refinement and adjustment consistent with 2012 RTP/SCS process and results***

V. ***Replacement Need Allocation Methodology***

VI. ***Regional Fair-Share/Over-concentration Adjustment: 110% Move toward County Distribution of Each Income Category***

VII. ***Integrated Growth Forecast Process and Results for 2012 RTP/SCS and RHNA***

Due to their large size, the proposed RHNA methodology appendices are available on the RHNA website (www.scag.ca.gov/rhna), and a public copy will be made available at all public meetings and hearings on the RHNA methodology.

ATTACHMENT: Proposed RHNA Methodology Example

Proposed RHNA Methodology: Example

City A = 500 units of Projected Household Growth

Existing Housing Types

60% Owner-Occupied
= 300 of total units

40% Renter-Occupied
= 200 of total units

Healthy Market Vacancy

300 units X 1.5% = 5 units

200 units X 4.5% = 9 units

5 units + 9 units = 14 units

500 units + 14 units =

514 units of Growth and Vacancy Need

Proposed RHNA Methodology: Sample

514	**Growth and vacancy need**
+	
6	**Replacement need**
↓	
520	**Growth and vacancy need + replacement need**
-	
220	**Current market excess vacancy credit**
↓	
300	**Net new housing need**

RHNA Household Allocation (Adjusted for Equity)

Existing Conditions:

Household Income Level	City A	County Distribution
Very Low Income	30.1%	22.9%
Low Income	27.9%	16.8%
Moderate Income	23.5%	18.5%
Above Moderate Income	18.5%	41.8%

To mitigate the over-concentration of income groups each jurisdiction will move 110% towards county distribution in all four categories:

Household Income Level	City A Adjusted Allocation
Very Low Income	30.1%-[(30.1%-22.9%)x110%] =**22.2%**
Low Income	27.9%-[(27.9%-16.8%)x110%] =**15.7%**
Moderate Income	23.5%-[(23.5%-18.5%)x110%] =**17.9%**
Above Moderate Income	18.5%-[(18.5%-41.8%)x110%] =**44.2%**

Final RHNA Allocation

Income Category	City A Adjusted Distribution	RHNA Allocation (units)
Very Low	22.2%	67
Low	15.7%	47
Moderate	17.9%	54
Above Moderate	44.2%	132
Total	100%	300