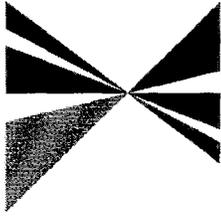


SOUTHERN CALIFORNIA



**ASSOCIATION OF  
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**No. 6  
MEETING OF THE**

**REGIONAL HOUSING NEEDS  
ASSESSMENT SUBCOMMITTEE**

***Friday, August 12, 2011  
9:00 a.m. – 12:00 p.m.***

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

**Teleconference Available  
Brea City Hall  
1 Civic Center Circle  
Brea, CA 92821**

**Videoconference Available**

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

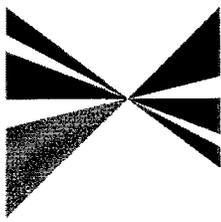
**Orange County Office  
600 S. Main Street, Suite 906  
Orange, CA 92863**

Since the maximum capacity of the meeting room is 6 people, 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.

**Palmdale City Hall  
38250 Sierra Highway  
Palmdale, CA 93550**

**San Bernardino County Office  
1170 W. 3<sup>rd</sup> Street, Ste 140  
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SOUTHERN CALIFORNIA



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**Ventura Office**

**950 County Square Drive, Suite 101**

**Ventura, CA 93003**

**Coachella Valley Assoc. of Governments**

**73-710 Fred Waring Drive, Suite #200**

**Palm Desert, CA 92260**

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)

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1928 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1928.

**Regional Housing Needs Assessment Subcommittee  
Member List**

- San Bernardino County: Hon. Bill Jahn, Big Bear Lake, District 11 (Alternate): **Chair**  
Hon. Ginger Coleman, Apple Valley, District 65 (Primary)
- Los Angeles County: Hon. Margaret Finlay, Duarte, District 35 (Primary)  
Hon. Steven Hofbauer, Palmdale, District 43 (Alternate)
- Orange County: Hon. Sukhee Kang, Irvine, District 14 (Primary)  
Hon. Ron Garcia, Brea, OCCOG (Alternate)
- Riverside County: Hon. Darcy Kuenzi, Menifee, WRCOG (Primary)  
Hon. Randon Lane, Murrieta, WRCOG (Alternate)
- Ventura County: Hon. Bryan MacDonald, Oxnard, District 45 (Primary)  
Hon. Carl Morehouse, Ventura, District 47 (Alternate)
- Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)  
Hon. Jack Terrazas, Imperial County (Alternate)

# REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE AGENDA AUGUST 12, 2011

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

## CALL TO ORDER & 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 Committee, 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 to (20) twenty minutes.

## REVIEW AND PRIORITIZE AGENDA ITEMS

### CONSENT CALENDAR

Time      Page No.

#### Approval Item

- |                                                |            |   |
|------------------------------------------------|------------|---|
| 1. <u>Minutes of the June 24, 2011 Meeting</u> | Attachment | 1 |
| 2. <u>RHNA Subcommittee Topic Outlook</u>      | Attachment | 6 |

#### Receive and File

- |                                                                                |            |    |
|--------------------------------------------------------------------------------|------------|----|
| 3. <u>Respondents to the AB 2158 Factor and Replacement Need Survey Matrix</u> | Attachment | 8  |
| 4. <u>Correspondence Received</u>                                              | Attachment | 11 |

### INFORMATION ITEMS

- |                                                                                                                                                                            |            |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------|
| 5. <u>Update Draft RHNA Consultation Packet to State Housing Community Development Department (HCD)/Department of Finance (DOF)</u><br><i>(Ma'Ayn Johnson, SCAG Staff)</i> |            | 10 min.         |
| Staff will provide an update on the regional determination process with HCD.                                                                                               |            |                 |
| 6. <u>Subregional Delegation Update</u><br><i>(Joann Africa, SCAG Chief Legal Counsel)</i>                                                                                 | Attachment | 15 min.      33 |

Staff will provide an update on subregional delegation for Jurisdictions that submitted intent to take RHNA delegation.

**REGIONAL HOUSING NEEDS ASSESSMENT  
SUBCOMMITTEE  
AGENDA  
AUGUST 12, 2011**

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**ACTION ITEMS**

	<b><u>Time</u></b>	<b><u>Page No.</u></b>
7. <u>Public Hearing on Proposed RHNA Methodology</u> <i>(Ma'Ayn Johnson, SCAG Staff)</i>	Attachment 10 min.	41

**Recommended Action:** Select a date for the public hearing on the Proposed RHNA Methodology and recommend to CEHD that the Chair of the RHNA Subcommittee preside over the hearing.

8. <u>Proposed RHNA Methodology</u> <i>(Ma'Ayn Johnson, SCAG Staff)</i>	Attachment 40 min.	43
----------------------------------------------------------------------------	--------------------	----

Staff will provide the proposed RHNA methodology for discussion and recommendation.

**Recommended Action:** Recommend the proposed RHNA methodology for further recommendation from CEHD.

**CHAIR'S REPORT**

**STAFF REPORT**

*(Mark Butala, SCAG Staff)*

**ANNOUNCEMENTS**

**ADDITIONAL PUBLIC COMMENT PERIOD**

**ADJOURNMENT**

*The next regular meeting of the Regional Housing Needs Assessment Subcommittee will be held on Friday, September 23.*

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**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
REGIONAL HOUSING NEEDS ASSESSMENT SUBCOMMITTEE  
MINUTES OF MEETING NO. 5  
JUNE 24, 2011**

---

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

The Regional Housing Needs Assessment Subcommittee (RHNA) of the Southern California Association of Governments (SCAG) held its meeting at the Coachella Valley Association of Governments. The meeting was called to order by the Hon. Ginger Coleman. There was a quorum.

**Present**

Representing Los Angeles County

Hon. Margaret Finlay, Duarte, District 35 (Primary) – via videoconference

Representing Orange County

Hon. Sukhee Kang, Irvine, District 14 (Primary) - via videoconference

Hon. Ron Garcia, Brea, OCCOG (Alternate) – via teleconference

Representing Riverside County

Hon. Darcy Kuenzi, Menifee, WRCOG (Primary) - via teleconference

Representing San Bernardino County

Hon. Ginger Coleman, Apple Valley, District 65 (Primary) – present (Acting Chair)

Representing Ventura County

Hon. Bryan MacDonald, Ventura, District 45 (Primary) -- via videoconference

Hon. Carl Morehouse, Ventura, District 47 (Alternate) – via videoconference

Representing Imperial County

Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary) – via videoconference

Hon. Jack Terrazas, Imperial County (Alternate) – via videoconference

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The Hon. Ginger Coleman, Acting Chair, called the meeting to order at 10:05 a.m.

## **PUBLIC COMMENT PERIOD**

Mary Ann MacGillivray, City of Sierra Madre, asked how the region moves into a fifth RHNA cycle without an evaluation of the previous four cycles. She asked if there is a report from the fourth cycle that evaluates the effectiveness of the projections and if there is a report, when would it be available to the public.

Staff responded that it did not have any report for evaluating a comparison of data between the fifth cycle and the fourth cycle. Staff indicated that producing such a report would require extensive data to be collected from local jurisdictions. The California Department of Housing and Community Development used RHNA as future planning. The statutory requirements do not specifically take into account past performance.

## **REVIEW AND PRIORITIZE AGENDA ITEMS**

No comments.

## **CONSENT CALENDAR**

### Approval Items

1. Minutes of May 27, 2011 Meeting
2. RHNA Subcommittee Topic Outlook

### Receive & File

3. Correspondence Received and Responses

A motion (Finlay) was made to approve the Consent Calendar Items. The motion was SECONDED (Kang) and UNANIMOUSLY approved with one ABSTENTION (Morehouse).

## **INFORMATION ITEMS**

### 4. Update on Draft RHNA Consultation Packet to the California Department of Housing and Community Development (HCD)

Staff provided a brief update on the consultation process with the California Department of Housing and Community Development (HCD) to determine the Regional Housing Need.

Staff mailed the updated Draft RHNA Consultation Packet to HCD and then met with HCD staff in Sacramento on June 20. HCD had limited response at the meeting because they desired more time to study the information SCAG provided them with regard to projections, vacancy rates, and other items Staff had gone over with the Subcommittee at its May 27<sup>th</sup> meeting.

There were no conclusions that transpired at this meeting. Staff does anticipate hearing from HCD within a couple of weeks. HCD is obligated to fully respond and give SCAG its regional targets. As additional meetings with HCD occur, Staff will provide timely updates.

#### 5. Demolition Permits and the Determination of RHNA Replacement Need

This survey was sent out to all local jurisdictions last week. The purpose of the survey is to collect data on units that were demolished over a certain time period that were actually replaced. For the last RHNA cycle, demolished units were treated as a replacement need for new household growth. If units were replaced after demolition, SCAG does not have that information. SCAG has requested that the survey data be submitted by July 15 so the data can be included in discussions with HCD to determine the appropriate replacement need for the region.

#### 6. AB 2158 Factor Survey

By State Housing Law, SCAG is required to survey each of its jurisdictions to collect data on local planning factors, opportunities, and constraints. By law, SCAG cannot consider any voter approved measures or ordinance that would allow the number of residential building permits, as a planning factor, to affect individual RHNA numbers. Staff conducted a planning factor survey earlier this year as part of the Sustainable Communities Strategy (SCS) planning workshops. The survey is due back to SCAG by July 15. SCAG will acknowledge those smaller cities in the region that are short staffed and may require a few extra days to collect their data in order to submit the survey.

SCAG will present the results of both the RHNA Replacement Need Survey and the AB 2158 Factor Survey at the next RHNA Subcommittee meeting.

### ACTION ITEM

#### 7. RHNA Social Equity Adjustment

As part of the RHNA methodology, SCAG is required to address the over concentration of income groups for communities that have a disproportionate share of certain income categories, particularly for low, and very low income. For the 2007 RHNA, SCAG applied a 110% adjustment towards the County income distribution.

SCAG is required to address the over concentration of certain income types throughout the region. SCAG proposed three percentages to address this:

- 1) 100% adjustment would apply to the existing county income distribution to the projected growth for the jurisdiction.
- 2) 110% which is what was done in the 2007 RHNA methodology. This is the figure Staff recommends.
- 3) 125% is another option to consider. Staff feels this might be too aggressive.

If the Subcommittee approves this item today, the item will be recommended to the CEHD as part of the RHNA methodology.

Hon. Margaret Finley asked whether the 110% figure was based on the fourth RHNA cycle and if the previous RHNA figures were higher or lower. Staff responded that in previous cycles SCAG had recommended that different percentages be applied depending on whether the city was over impacted. For the fourth RHNA cycle, 110% was used.

**Recommended Action:** Recommend that a 110% social equity adjustment be included as part of the proposed RHNA methodology.

A motion (Kang) was made to move recommendation of a 110% social equity adjustment to be included as part of the proposed RHNA methodology. The motion was SECONDED (Morehouse) and UNANIMOUSLY approved.

### **CHAIR'S REPORT**

Staff has set up RHNA "Open House Hours" around the region to answer questions about the surveys and the RHNA process. There is no set agenda, meetings will be held at several regional office locations. If you are interested in attending, please contact Denise Silva at 213-236-1904 or by email at [silva@scag.ca.gov](mailto:silva@scag.ca.gov) to reserve a time slot.

June 23, 1-3 pm, Riverside  
June 29, 2-4 pm, Orange  
July 5, 10-12 pm, Los Angeles  
July 6, 1-3 pm, San Bernardino  
July 11, 12-2 pm, Ventura

Cities/counties were encouraged to complete and submit the two surveys sent from SCAG as soon as possible to meet the July 15<sup>th</sup> deadline. If any of the cities/counties have particular staffing issues and perhaps require more assistance, please let SCAG staff know and they will assist you.

### **STAFF REPORT**

None

### **ANNOUNCEMENTS**

None

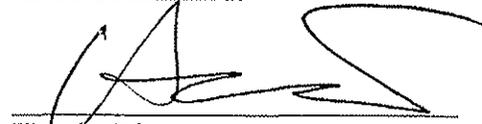
### **ADDITIONAL PUBLIC COMMENT**

Gail Shiomoto-Lohr, City of Mission Viejo, stated that there were two items she wanted to address. First is the replacement need for units that are demolished. SCAG received a letter from the City of Hermosa Beach that she identified in the city's proposal as to how demolished units would be replaced in terms of their respective income category. Second, she asked about the action the Subcommittee just took on the Social Equity Adjustment factor of 110%. As the Subcommittee moves forward, it would be appreciated if there could be further clarification in methodology and formula as to those demolished units, for example, a certain type of unit was demolished and replaced.

Mary Ann MacGillivray, City of Sierra Madre, stated that she had a comment with regard to the Social Equity Adjustment. It appears that the way Social Equity Adjustment is being looked at is a one-way street. In other words, the Social Equity is moving downward toward the low-income population to make sure that certain communities do not have an over concentration of certain income levels. It seems that true social equity would move in both directions. Ms. MacGillivray requested that staff provide clarification and something definitive in terms of what improvements can be expected from the Social Equity Adjustment. Staff responded that applying the Social Equity Adjustment is moving the income level in both directions.

**ADJOURNMENT**

The Regional Housing Needs Assessment Subcommittee meeting adjourned at 11:06 a.m. The next meeting of the RHNA Subcommittee is yet to be determined.



Huasha Liu  
Director, Land Use and  
Environmental Planning

Draft RHNA Schedule (February 2011 to September 2012)

Meeting	Proposed Date	Subject	Action
1	February 23, 2011	Overview of RHNA Process; review RHNA Task Force recommendations; RHNA work plan and schedule; subregional delegation guidelines; evaluate issues between the DOF and Census projections; notification to HCD and Caltrans of RTP/SCS adoption date; discussion on Integrated Growth Forecast foundation	Approve charter; approve RHNA work plan and schedule; recommend to CEHD to notify HCD and Caltrans of RTP/SCS adoption date
2	March 22, 2011	Subcommittee Charter; subregional delegation	Approve the RHNA Subcommittee Charter
3	April 19, 2011	Changes to housing element requirements; AB 2158 factor discussion; draft RHNA methodology framework, Subregional delegation agreement	
4	May 27, 2011	Regional determination update; Social equity adjustment discussion; Subregional delegation agreement,	Provide direction on subregional delegation
4	June 24, 2011	Update on RHNA consultation with HCD; social equity adjustment; replacement needs survey; AB 2158 factor survey	Recommend a social equity adjustment to CEHD
5	August 12, 2011	Replacement need survey results; AB 2158 factor survey results; continued discussion on methodology: overcrowding; at-risk affordable units; high housing cost burdens; farmworker housing	Recommend methodology to CEHD
6	September 23, 2011	RHNA annexation policy	Recommend a RHNA annexation policy to CEHD
7	January 27, 2012	RHNA revisions and appeals process guidelines	Recommend RHNA revisions and appeals process guidelines
8	July 2012	Review submitted revision requests	
9	July 2012	Review submitted revision requests	Recommend to CEHD results of revision requests
10	Mid-September 2012	Hearing on appeals	
11	Mid-September 2012	Hearing on appeals	
12	Mid-September 2012	Hearing on appeals	
13	Mid-September 2012	Final meeting	Recommend to CEHD final appeals and RHNA determinations

Draft RHNA Schedule (February 2011 to September 2012)

Proposed Date	Meeting	Action
March 3, 2011	CEHD	Approve Subcommittee charter; approve RHNA schedule and work plan
March – September	P&P TAC, Subregional Coordinators meetings input on RHNA methodology discussion from Subcommittee	
April 7	CEHD	Approve Subcommittee charter
April 7	Regional Council	Approve RHNA schedule
June 2	CEHD and Regional Council	Approve subregional delegation agreement
June 2	Regional Council	Approve Subcommittee charter
September 1	CEHD	Recommend release of proposed RHNA methodology
September 1	Regional Council	Release proposed RHNA methodology
October 6	CEHD	Recommend RHNA annexation policy
November 3	Regional Council	Approve final RHNA methodology; approve RHNA annexation policy
February 2 2012	CEHD	Approve RHNA revisions and appeals process guidelines
March 1	Regional Council	approve RHNA revisions and appeals process guidelines
April 5	CEHD and Regional Council	Release of draft RHNA allocation
October 6, 2012	CEHD	Approve proposed final RHNA allocation plan
October 6, 2012	Regional Council	Public hearing on final RHNA allocation plan

Respondents to the AB 2158 Factor and Replacement Need Survey Matrix  
 Updated August 1, 2011

Subregion	County	City	Local Planning Factors/"AB 2158 Factors" Survey	Replacement Need Survey
Imperial Valley Association of Governments	Imperial	Brawley		
Imperial Valley Association of Governments	Imperial	Calexico		
Imperial Valley Association of Governments	Imperial	Calipatria		
Imperial Valley Association of Governments	Imperial	El Centro		
Imperial Valley Association of Governments	Imperial	Holtville		
Imperial Valley Association of Governments	Imperial	Imperial		
Imperial Valley Association of Governments	Imperial	Westmorland		
Imperial Valley Association of Governments	Imperial	Imperial County		
North Los Angeles County	Los Angeles	Lancaster		
North Los Angeles County	Los Angeles	Palmdale	X	X
North Los Angeles County	Los Angeles	Santa Clarita		
City of Los Angeles	Los Angeles	Los Angeles City	X	X
City of Los Angeles	Los Angeles	San Fernando		
Arroyo Verdugo	Los Angeles	Burbank		
Arroyo Verdugo	Los Angeles	Glendale	X	
Arroyo Verdugo	Los Angeles	La Canada Flintridge	X	X
San Gabriel Valley Association of Cities	Los Angeles	Alhambra	X	X
San Gabriel Valley Association of Cities	Los Angeles	Arcadia	X	X
San Gabriel Valley Association of Cities	Los Angeles	Azusa		
San Gabriel Valley Association of Cities	Los Angeles	Baldwin Park		
San Gabriel Valley Association of Cities	Los Angeles	Bradbury		
San Gabriel Valley Association of Cities	Los Angeles	Claremont	X	X
San Gabriel Valley Association of Cities	Los Angeles	Covina		X
San Gabriel Valley Association of Cities	Los Angeles	Diamond Bar		
San Gabriel Valley Association of Cities	Los Angeles	Duarte	X	X
San Gabriel Valley Association of Cities	Los Angeles	El Monte		
San Gabriel Valley Association of Cities	Los Angeles	Glendora		
San Gabriel Valley Association of Cities	Los Angeles	Industry		
San Gabriel Valley Association of Cities	Los Angeles	Irwindale	X	
San Gabriel Valley Association of Cities	Los Angeles	La Puente		X
San Gabriel Valley Association of Cities	Los Angeles	La Verne		
San Gabriel Valley Association of Cities	Los Angeles	Monrovia		
San Gabriel Valley Association of Cities	Los Angeles	Montebello		
San Gabriel Valley Association of Cities	Los Angeles	Monterey Park		
San Gabriel Valley Association of Cities	Los Angeles	Pasadena		
San Gabriel Valley Association of Cities	Los Angeles	Pomona		
San Gabriel Valley Association of Cities	Los Angeles	Rosemead		
San Gabriel Valley Association of Cities	Los Angeles	San Dimas		
San Gabriel Valley Association of Cities	Los Angeles	San Gabriel		X
San Gabriel Valley Association of Cities	Los Angeles	San Marino	X	X
San Gabriel Valley Association of Cities	Los Angeles	Sierra Madre		X
San Gabriel Valley Association of Cities	Los Angeles	South El Monte		
San Gabriel Valley Association of Cities	Los Angeles	South Pasadena		
San Gabriel Valley Association of Cities	Los Angeles	Temple City		
San Gabriel Valley Association of Cities	Los Angeles	Walnut	X	X
San Gabriel Valley Association of Cities	Los Angeles	West Covina		
Westside Cities	Los Angeles	Beverly Hills		
Westside Cities	Los Angeles	Cuiver City	X	X
Westside Cities	Los Angeles	Santa Monica		
Westside Cities	Los Angeles	West Hollywood	X	X
South Bay Cities Association	Los Angeles	Carson	X	X
South Bay Cities Association	Los Angeles	El Segundo		
South Bay Cities Association	Los Angeles	Gardena	X	X
South Bay Cities Association	Los Angeles	Hawthorne		
South Bay Cities Association	Los Angeles	Hermosa Beach		X
South Bay Cities Association	Los Angeles	Inglewood	X	X
South Bay Cities Association	Los Angeles	Lawndale	X	X
South Bay Cities Association	Los Angeles	Lomita	X	
South Bay Cities Association	Los Angeles	Manhattan Beach		X
South Bay Cities Association	Los Angeles	Palos Verdes Estates	X	
South Bay Cities Association	Los Angeles	Rancho Palos Verdes	X	X
South Bay Cities Association	Los Angeles	Redondo Beach		
South Bay Cities Association	Los Angeles	Rolling Hills		
South Bay Cities Association	Los Angeles	Rolling Hills Estates		
South Bay Cities Association	Los Angeles	Torrance		
Gateway Cities	Los Angeles	Artesia		
Gateway Cities	Los Angeles	Avalon		

Respondents to the AB 2158 Factor and Replacement Need Survey Matrix  
 Updated August 1, 2011

Subregion	County	City	Local Planning Factors/"AB 2158 Factors" Survey	Replacement Need Survey
Gateway Cities	Los Angeles	Bell		
Gateway Cities	Los Angeles	Bellflower	X	X
Gateway Cities	Los Angeles	Bell Gardens		
Gateway Cities	Los Angeles	Cerritos		
Gateway Cities	Los Angeles	Commerce		
Gateway Cities	Los Angeles	Compton		
Gateway Cities	Los Angeles	Cudahy		
Gateway Cities	Los Angeles	Downey		
Gateway Cities	Los Angeles	Hawaiian Gardens		
Gateway Cities	Los Angeles	Huntington Park		
Gateway Cities	Los Angeles	La Habra Heights		
Gateway Cities	Los Angeles	La Mirada		
Gateway Cities	Los Angeles	Lakewood		X
Gateway Cities	Los Angeles	Long Beach		
Gateway Cities	Los Angeles	Lynwood		
Gateway Cities	Los Angeles	Maywood		
Gateway Cities	Los Angeles	Montebello		
Gateway Cities	Los Angeles	Norwalk		
Gateway Cities	Los Angeles	Paramount	X	X
Gateway Cities	Los Angeles	Plco Rivera	X	X
Gateway Cities	Los Angeles	Santa Fe Springs		
Gateway Cities	Los Angeles	Signal Hill		
Gateway Cities	Los Angeles	South Gate		
Gateway Cities	Los Angeles	Vernon	X	
Gateway Cities	Los Angeles	Whittier	X	
Las Virgenes	Los Angeles	Agoura Hills	X	
Las Virgenes	Los Angeles	Calabasas	X	X
Las Virgenes	Los Angeles	Hidden Hills		
Las Virgenes	Los Angeles	Malibu	X	X
Las Virgenes	Los Angeles	Westlake Village		
	Los Angeles	Los Angeles County		
Orange County	Orange	Aliso Viejo	X	
Orange County	Orange	Anaheim	X	
Orange County	Orange	Brea	X	
Orange County	Orange	Buena Park	X	
Orange County	Orange	Costa Mesa	X	
Orange County	Orange	Cypress	X	
Orange County	Orange	Dana Point		
Orange County	Orange	Fountain Valley	X	X
Orange County	Orange	Fullerton	X	
Orange County	Orange	Garden Grove	X	
Orange County	Orange	Huntington Beach		
Orange County	Orange	Irvine	X	X
Orange County	Orange	La Habra	X	
Orange County	Orange	La Palma	X	
Orange County	Orange	Laguna Beach	X	
Orange County	Orange	Laguna Hills	X	
Orange County	Orange	Laguna Niguel		
Orange County	Orange	Laguna Woods		
Orange County	Orange	Lake Forest		
Orange County	Orange	Los Alamitos		
Orange County	Orange	Mission Viejo	X	X
Orange County	Orange	Newport Beach	X	X
Orange County	Orange	Orange City		
Orange County	Orange	Placentia		
Orange County	Orange	Rancho Santa Margarita	X	
Orange County	Orange	San Clemente		
Orange County	Orange	San Juan Capistrano		
Orange County	Orange	Santa Ana		
Orange County	Orange	Seal Beach		
Orange County	Orange	Stanton	X	
Orange County	Orange	Tustin		
Orange County	Orange	Villa Park		
Orange County	Orange	Westminster	X	
Orange County	Orange	Yorba Linda		
Orange County	Orange	Orange County	X	
Western Riverside Council of Governments	Riverside	Banning		X

Respondents to the AB 2158 Factor and Replacement Need Survey Matrix  
 Updated August 1, 2011

Subregion	County	City	Local Planning Factors / AB 2158 Factors Survey	Replacement Need Survey
Western Riverside Council of Governments	Riverside	Beaumont	X	X
Western Riverside Council of Governments	Riverside	Calimesa		
Western Riverside Council of Governments	Riverside	Canyon Lake	X	X
Western Riverside Council of Governments	Riverside	Corona	X	X
Western Riverside Council of Governments	Riverside	Hemet		
Western Riverside Council of Governments	Riverside	Lake Elsinore		
Western Riverside Council of Governments	Riverside	Menifee		X
Western Riverside Council of Governments	Riverside	Moreno Valley		
Western Riverside Council of Governments	Riverside	Murrieta	X	X
Western Riverside Council of Governments	Riverside	Norco		
Western Riverside Council of Governments	Riverside	Perris		X
Western Riverside Council of Governments	Riverside	Riverside City		X
Western Riverside Council of Governments	Riverside	San Jacinto	X	X
Western Riverside Council of Governments	Riverside	Temecula		
Western Riverside Council of Governments	Riverside	Wildomar		
	Riverside	Riverside County		X
Coachella Valley Association of Governments	Riverside	Blythe		
Coachella Valley Association of Governments	Riverside	Cathedral City		
Coachella Valley Association of Governments	Riverside	Coachella		
Coachella Valley Association of Governments	Riverside	Desert Hot Springs		
Coachella Valley Association of Governments	Riverside	Indian Wells		
Coachella Valley Association of Governments	Riverside	Indio		
Coachella Valley Association of Governments	Riverside	La Quinta		X
Coachella Valley Association of Governments	Riverside	Palm Desert	X	X
Coachella Valley Association of Governments	Riverside	Palm Springs		
Coachella Valley Association of Governments	Riverside	Rancho Mirage		X
San Bernardino Associated Governments	San Bernardino	Adelanto		
San Bernardino Associated Governments	San Bernardino	Apple Valley Town		
San Bernardino Associated Governments	San Bernardino	Barstow		
San Bernardino Associated Governments	San Bernardino	Big Bear Lake	X	
San Bernardino Associated Governments	San Bernardino	Chino		X
San Bernardino Associated Governments	San Bernardino	Chino Hills	X	
San Bernardino Associated Governments	San Bernardino	Colton		X
San Bernardino Associated Governments	San Bernardino	Fontana	X	X
San Bernardino Associated Governments	San Bernardino	Grand Terrace	X	X
San Bernardino Associated Governments	San Bernardino	Hesperia	X	
San Bernardino Associated Governments	San Bernardino	Highland	X	X
San Bernardino Associated Governments	San Bernardino	Loma Linda		
San Bernardino Associated Governments	San Bernardino	Montclair		
San Bernardino Associated Governments	San Bernardino	Needles	X	
San Bernardino Associated Governments	San Bernardino	Ontario	X	X
San Bernardino Associated Governments	San Bernardino	Rancho Cucamonga		
San Bernardino Associated Governments	San Bernardino	Redlands	X	
San Bernardino Associated Governments	San Bernardino	Rialto		
San Bernardino Associated Governments	San Bernardino	San Bernardino City		
San Bernardino Associated Governments	San Bernardino	Twentynine Palms	X	
San Bernardino Associated Governments	San Bernardino	Upland	X	X
San Bernardino Associated Governments	San Bernardino	Victorville	X	X
San Bernardino Associated Governments	San Bernardino	Yucaipa	X	
San Bernardino Associated Governments	San Bernardino	Yucca Valley	X	X
San Bernardino Associated Governments	San Bernardino	San Bernardino County	X	X
Ventura Council of Governments	Ventura	Camarillo	X	X
Ventura Council of Governments	Ventura	Fillmore		
Ventura Council of Governments	Ventura	Moorpark		
Ventura Council of Governments	Ventura	Ojai		
Ventura Council of Governments	Ventura	Oxnard		
Ventura Council of Governments	Ventura	Port Hueneme		
Ventura Council of Governments	Ventura	Santa Paula	X	X
Ventura Council of Governments	Ventura	Simi Valley	X	X
Ventura Council of Governments	Ventura	Thousand Oaks	X	X
Ventura Council of Governments	Ventura	Ventura City		
Ventura Council of Governments	Ventura	Ventura County		

SCAG staff is currently discussing and consulting with subregions and local jurisdictions about the accuracy and interpretation of the demolition survey data.

Please note that the SCAG demolition survey data for cities in Orange County was based on the Orange County Housing Demolition Net Activity data provided by the Center for Demographic Research (CDR) on July 22, 2011. CDR provided the net total of housing units only.



# City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885 Tel: (310) 318-0242

June 23, 2011

The Honorable Bill Jahn, Chair  
Regional Housing Needs Assessment Subcommittee  
Southern California Association of Governments  
818 West Seventh St., 12<sup>th</sup> floor  
Los Angeles, CA 90017-3435

**Subject: RHNA Methodology for Replacement Housing Units**

Honorable Chair Jahn and RHNA Subcommittee Members:

The City of Hermosa Beach would like to express its appreciation for the work to date of the RHNA subcommittee and SCAG staff. We support the approach outlined in the agenda packet for your June 24, 2011 meeting regarding the methodology to be used for replacement housing need. In particular, we support SCAG's intent to consult with HCD regarding a more realistic total replacement need, as well as a more appropriate income distribution for replacement units.

To assist SCAG in this effort, attached to this letter is additional information and suggestions for your consideration.

We look forward to working with the Subcommittee and SCAG staff on these issues. Please contact me at (310) 318-0201 or Ken Robertson, Community Development Director at (310) 318-0240 if you have questions.

Sincerely,

Stephen R. Burrell  
City Manager

Attachment:  
SCAG RHNA Allocation Methodology - Replacement Need for Units Demolished or Converted

cc:  
Hasan Ikhata, Executive Director, SCAG  
Huasha Lui, Director, Land Use and Environmental Planning, SCAG  
Ma'Ayn Johnson, Senior Regional Planner, SCAG  
Jacki Bacharach, Executive Director, SBCCOG



# City of Manhattan Beach

## Community Development

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1400 Highland Avenue, Manhattan Beach, CA 90266  
Phone: (310) 802-5500 FAX: (310) 802-5501 TDD: (310) 546-3501

RECEIVED

JUN 27 2011

COMMUNITY DEV. DEPT.

June 24, 2011

The Honorable Bill Jahn, Chair  
Regional Housing Needs Assessment Subcommittee  
Southern California Association of Governments  
818 West Seventh St., 12th floor  
Los Angeles, CA 90017-3435

**Subject: RHNA Methodology for Replacement Housing Units**

Honorable Chair Jahn and RHNA Subcommittee Members:

The City of Manhattan Beach would like to express its appreciation for the work to date of the RHNA subcommittee and SCAG staff. We support the approach outlined in the agenda packet for your June 24, 2011 meeting regarding the methodology to be used for replacement housing need. In particular, we support SCAG's intent to consult with HCD regarding a more realistic total replacement need, as well as a more appropriate income distribution for replacement units.

We have also discussed this matter with City of Hermosa Beach staff, and are in support of the suggestions they have offered to the Subcommittee.

We look forward to working with the Subcommittee and SCAG staff on these issues. Please contact me at (310) 802-5502 if you have questions.

Sincerely,



Richard Thompson  
Director of Community Development

cc:

Hasan Ikhata, Executive Director, SCAG  
Huasha Lui, Director, Land Use and Environmental Planning, SCAG  
Ma'Ayn Johnson, Senior Regional Planner, SCAG  
Jacki Bacharach, Executive Director, SBCCOG

**SCAG RHNA Allocation Methodology**  
**Replacement Need for Units Demolished or Converted**  
**June 21, 2011**

**Issue:**

The RHNA methodology pertaining to replacement of demolished housing units and allocation to income groups has created a significant hardship for some cities in the SCAG region. An alternative methodology for replacement need is proposed.

**Background:**

For the current RHNA cycle (2006-2014), total construction need was established by SCAG as the sum of (1) household growth need, (2) replacement need for units demolished or converted, and (3) a vacancy rate adjustment. Total construction need was then distributed to income categories based on the income characteristics of the jurisdiction, with an adjustment to avoid impacting jurisdictions with a disproportionate percentage of lower-income households compared to the county as a whole.

For the current planning period, the total construction need in some cities was predominantly comprised of replacement need for housing units demolished. For example, in Hermosa Beach a total construction need of over 500 units was assigned in the RHNA although that city had no projected growth in households. In many other cities (e.g., Manhattan Beach, Palos Verdes Estates, Rolling Hills, Arcadia, Redondo Beach, Temple City, Santa Monica, Newport Beach) a significant portion of their total RHNA allocation was due to replacement need.

The RHNA methodology assigned approximately 40% of total new construction need to the very-low and low income categories. In its review of local Housing Elements, HCD requires that cities demonstrate suitable sites for lower-income housing. However, in the cities with a high replacement need, a large portion of that need was generated by demolition of older single-family houses that were replaced with new single-family units or small condominium projects. This creates a "Catch-22" situation for jurisdictions with little or no vacant land or parcels of substantial size with redevelopment potential because HCD will not allow small residential parcels to be used as potential lower-income sites, regardless of the allowable density.

For example, Hermosa Beach was assigned a RHNA allocation of 562 units, 240 of which were lower-income units. This RHNA allocation was entirely based on replacement need – the city had zero growth need. The vast majority of the 240 lower-income units resulted from demolition and replacement of single-family units. Even though the city's Housing Element identified underutilized residential parcels with capacity for 558 additional high-density units, HCD would not allow lower-income RHNA "credit" for any of these parcels. As a result, the city is required to rezone commercial property for exclusive residential use in order to obtain HCD certification of the Housing Element, even though it had zero household growth need for the planning period. This discrepancy between SCAG's RHNA methodology and HCD's interpretation of state law

results in a severe hardship on many cities where a large portion of the RHNA new construction need was based on replacement need.

**Recommended Income Distribution Methodology For Replacement Units:**

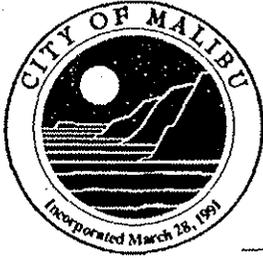
The primary intent of the RHNA is to facilitate construction of new housing at appropriate affordability levels to accommodate housing needs during the planning period. The previous RHNA methodology allocated household growth need and replacement need to income categories in the same proportion. However, the occupants of housing units that are demolished would not be expected to have the same income characteristics as new households in general. Rather, the occupants of demolished units would be more closely related to the type of unit demolished. In built-out coastal cities (e.g., Hermosa Beach, Manhattan Beach), a high percentage of units demolished were single-family detached houses where the property owner wished to build a new home or a small condominium project.

To address this problem with the previous RHNA methodology, it is recommended that the construction need for new housing units to replace units demolished or converted to non-residential use be assigned to income categories based on the type and density of units demolished or converted, rather than citywide income distribution. One possible scenario is as follows:

<b>Type and Density of Units Demolished*</b>	<b>Income Category of Replacement Units</b>
Multi-family rental units (3 or more) with densities at or greater than the "default" density (20 units per acre)	Very low
Multi-family units (3 or more) with densities less than the "default" density (20 units per acre)	Low
2-Family units (or single-family attached) Mobile homes	Moderate
Single-family units	Above moderate

\*This data is reported annually to the California Dept. of Finance and Census Bureau

This methodology would link the RHNA income category of replacement units to the income characteristics of the units demolished, rather than the citywide income distribution. For example, if an apartment building were demolished, the replacement housing need would be assigned to the very-low or low income category, while replacement units for duplexes and single-family homes would be assigned to the moderate and above-moderate categories, respectively. This adjustment in methodology would help to avoid future Catch-22 situations that result from a disparity between the RHNA methodology and HCD's interpretation of State Housing Element law.



# City of Malibu

23825 Stuart Ranch Rd. • Malibu, CA • 90265-4816

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July 11, 2011

Mr. Hasan Ikhata, Executive Director  
Southern California Association of Governments  
818 W. Seventh Street, 12<sup>th</sup> Floor  
Los Angeles, CA 90017-3435

RE: **Integrated Growth Forecast and 2006-2014 RHNA**

Dear Mr. Ikhata,

We appreciate the cooperation and assistance of your staff in our review of the draft Integrated Growth Forecast for Malibu. We also appreciate the magnitude of the challenge you face in preparing such a forecast for the nation's largest metropolitan planning organization, encompassing more than 38,000 square miles, six counties, 190 cities, and a population of 19 million residents. We look forward to continuing to work with you to ensure that the new forecast represents a fair and realistic projection of growth in our city.

In addition to our concern about the new growth forecast, our elected officials, residents and staff are deeply concerned about the land use implications of the previous forecast and the 2006-2014 Regional Housing Needs Assessment (RHNA), which was adopted by the Regional Council in 2007.

As we have pointed out to your staff, Malibu's RHNA allocation of **441 housing units** for the 2006-2014 period is unrealistic and based on incorrect growth forecast numbers. One example of the incorrect growth forecast numbers can be found in the employment data. Staff has reviewed the employment data for the City of Malibu (as listed in the InfoUSA database, forwarded by SCAG staff on June 10, 2011) and determined that more than 1,400 jobs are being attributed to Malibu when they are actually located outside of City limits. The main contributor to this inaccurate information is the inclusion of jobs associated with Pepperdine University. In reality, Pepperdine University is located within unincorporated Los Angeles County, north of City limits. Please see the enclosed spreadsheet for a list of jobs incorrectly listed as being within Malibu.

Staff submitted a letter to SCAG staff on June 2, 2011 which details a number of other concerns we have regarding the data used for RHNA methodology (see enclosed). For the 2006-2014 period, it was projected that the City's population would grow by 376 people. The 2010 Census confirmed that Malibu's population grew by only 70 people, which accounts for an average population increase of 7 people per year. The methodology used to determine Malibu's latest RHNA allocation predicted a population increase of approximately 42 people per year. As such, there appears to be a flaw in the methodology.

The previous RHNA for the 1998-2005 period allocated **14 units** to Malibu, and there were no substantial changes to land use policies or conditions between 1998 and 2006 that could explain this drastic increase. To the contrary, there is no public wastewater treatment system in Malibu and a septic system moratorium was recently imposed in portions of the city by the State Water Quality Control Board. Additionally, those processing new development projects in the City are also experiencing difficulties with obtaining project approvals from both the Los Angeles County Fire Department and Los Angeles County Waterworks District 32. The difficulties in obtaining approvals from these agencies are stemming from a lack of water infrastructure and fire flow supply.

We respectfully request your guidance as to how a reconsideration and adjustment in the 2006-2014 RHNA might be accomplished. We understand that state law delegates authority for RHNA preparation to SCAG and that the official time for review and appeal has passed. However, it seems clear that a significant error has been made and that if left uncorrected, this error will have severe irreversible impacts on our city. We seek your assistance in finding a reasonable course of action that can ameliorate this problem.

In addition, there have been questions regarding the forecast methodology used by SCAG in determining Malibu's need for the 441 housing units. It would be extremely helpful if you could send a representative to a City Council meeting to discuss the methodology used by SCAG.

Please feel free to contact Stephanie Danner, Senior Planner, at (310) 456-2489, extension 276 or at [sdanner@malibucity.org](mailto:sdanner@malibucity.org) if you have any questions.

Sincerely,



Jim Thorsen  
City Manager

Enclosures

Cc: City Councilmembers, Planning Commissioners, Planning Manager, Project Planner

## LOCATED OUTSIDE CITY LIMITS

COMPANY	ADDRESS	CITY	ZIP	EMPLOYEES	TYPE OF BUSINESS
Allen Darbonne PHD	2900 Searidge St	Malibu	90265	3	Psychologists
Allstock	PO Box 1705	Pacific Plsds	90272	5	Motion Picture Film-Libraries
Bill Livingston Painting	2745 S Foose Rd	Malibu	90265	2	Painters
Bloom	35000 Pacific Coast Hwy	Malibu	90265	2	Games Toys & Children's Vehicles (Mfrs)
Brown & Dutch Public Relations	2300 Las Flores Canyon Rd	Malibu	90265	6	Public Relations Counselors
Calamity Co	4122 Parten Dr	Malibu	90265	1	Pottery-Wholesale
Cholada Thai Beach Cuisine	18763 Pacific Coast Hwy	Malibu	90265	3	Restaurants
Cloverfield Farm	1849 Decker School Ln	Malibu	90265	3	Farms
Consulate Honorary-Luxembourg	2961 Valmere Dr	Malibu	90265	4	Federal Government-International Affairs
Corniche Travel Group	24255 Pacific Coast Hwy	Malibu	90263	2	Travel Agencies & Bureaus
Decker Canyon Camp	3133 Decker Canyon Rd	Malibu	90265	4	Government Offices-City, Village & Twp
Elite Gates	21732 Castlewood Dr	Malibu	90265	4	Door & Gate Operating Devices
Eric Lloyd Wright & Assoc	24680 Pluma Rd	Malibu	90265	6	Architects
Fiction Spin	PO Box 885	Pacific Plsds	90272	4	Publishers-Book (Mfrs)
Forefront Software Inc	18425 Kingsport Dr	Malibu	90265	3	Computer Software
Ginger Snips Hair Salon & Spa	18803 Pacific Coast Hwy	Malibu	90265	1	Beauty Salons
Interstate Housing Resources	3719 Seahorn Dr	Malibu	90265	5	Real Estate Consultants
Jaks Pacific Inc	21749 Baker Pkwy	Walnut	91789	120	Toys-Manufacturers
Junior Blind of America	35375 Mujiolland Hwy	Malibu	90265	6	Civic Organizations
Junior Life Guard Program	9000 Pacific Coast Hwy	Malibu	90265	18	Amusement & Recreation NEC
K C Restoration	3634 Malibu Vista Dr	Malibu	90265	2	Painters

Robert A Karpuk	1557 S Monte Viento St	Malibu	90265	2	Attorneys
Kaspaul & Kaspaul RD & E Cons	30702 Monte Lado Dr	Malibu	90265	3	Nonclassified Establishments
Donald B Kowalewsky	27101 Old Chimney Rd	Malibu	90265	1	Geological Consultants
Leo Carillo Beach Store	PO Box 4117	Malibu	90264	4	Food Markets
Leo Carrillo State Beach	35000 Pacific Coast Hwy	Malibu	90265	4	Government Offices-State
M & D Development	26608 Ocean View Dr	Malibu	90265	6	Construction Management
Malibu Feed Bin	3931 Topanga Canyon Blvd	Malibu	90265	3	Pet Shops
Malibu Party & Wedding	3908 Escondido Dr	Malibu	90265	1	Banquet Rooms
Malibu Riders Inc	PO Box 726	Agoura Hills	91376	6	Stables
Malibu Tree Trimming	2952 Valmere Dr	Malibu	90265	5	Tree Service
Marick Media Holdings	22634 Mansie Rd	Malibu	90265	2	Holding Companies (Non-Bank)
Mary Lee Amerian Inc	2336 Santa Monica Blvd # 209	Santa Monica	90404	3	Physicians & Surgeons
Mere	24215 Baxter Dr	Malibu	90265	2	Shoes-Wholesale
Money House	PO Box 884	Pacific Plsds	90272	1	Real Estate Loans
Mosser Plumbing & Heating Inc	13376 Beach Ave	Marina Del Rey	90292	12	Plumbing Contractors
Oasis Imports	3931 Topanga Canyon Blvd	Malibu	90265	5	Furniture-Dealers-Retail
Payson Library	24255 Pacific Coast Hwy	Malibu	90263	24	Libraries-Institutional
Pepperdine University	24255 Pacific Coast Hwy	Malibu	90263	1000	Schools-Universities & Colleges
Plumridge Silks Inc	3826 Castlerock Rd	Malibu	90265	10	Academic
Reel Inn Fresh Fish					Fabrics-Wholesale
Restaurant	18661 Pacific Coast Hwy	Malibu	90265	20	Restaurants
Rosenthal the Malibu Estates	100 Wilshire Blvd # 8	Santa Monica	90401	5	Wines-Retail
Devine Ruedi	18219 Coastline Dr	Malibu	90265	1	Jewelry-Manufacturers
Nancy Safinick	24255 Pacific Coast Hwy	Malibu	90263	2	Physicians Assistants
Scotia Consulting Svc Inc	23225 W Paloma Blanca Dr	Malibu	90265	2	Business Services NEC
Scott Grady Construction	27081 Old Chimney Rd	Malibu	90265	1	General Contractors
Seaver College-Alumni	24255 Pacific Coast Hwy	Malibu	90263	5	Schools-Universities & Colleges
Skidmore Contemporary Art	24554 Via De Casa	Malibu	90265	2	Academic
					Art Galleries & Dealers

Summit Malibu	31544 Anacapa View Dr	Malibu	90265	15	Health Care Facilities
Romona Shane Productions	2893 Searidge St	Malibu	90265	3	Nonclassified Establishments
Spiral of Life Records	33062 Decker School Rd	Malibu	90265	1	Collectibles
University Church of Christ	24255 Pacific Coast Hwy	Malibu	90263	5	Churches
Van-Nauert Music	3465 Encinal Canyon Rd	Malibu	90265	100	Music Publishers (Mfrs)
Wylie's Bait & Tackle	18757 Pacific Coast Hwy	Malibu	90265	1	Fishing Bait

**Total Employees 1461**



# City of Malibu

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June 2, 2011

Huasha Liu  
Director of SCAG Land Use and Environmental Planning  
Southern California Association of Governments  
818 W. Seventh Street, 12<sup>th</sup> Floor  
Los Angeles, CA 90017-3435

**RE: City of Malibu Comments on SCAG's Integrated Growth Forecast, Malibu Local Profile and the Preliminary Land Use Scenarios**

Dear Ms. Liu:

This letter is intended to assist SCAG in preparing the 2012 Regional Transportation Plan (RTP), Regional Housing Needs Assessment (RHNA), and Sustainable Communities Strategy (SCS) by providing information regarding land use, development trends and special circumstances related to the City of Malibu. We appreciate the opportunity to provide this information and look forward to working with SCAG staff and the Policy Committees through the development of these important plans.

The City of Malibu has reviewed the assigned projections to ascertain whether they are consistent with the General Plan Land Use (LU) Element, the Malibu Municipal Code and the Local Coastal Program (LCP).

The City offers comments on the following SCAG documents:

1. Land Use Scenario Maps and SCAG Data / Maps Guide (received by the City on January 6, 2011);
2. Draft Local Profile Report for Malibu – February 2011 (received on March 4, 2011); and
3. Revised Integrated Growth Forecast (received on May 13, 2011).

**1. Land Use Scenarios**

After reviewing the Land Use Scenario Maps provided to City staff via email, we have the following general comments:

- A. Two large mobile home parks are incorrectly indicated as industrial and commercial land uses. The City accommodates 554 housing units on the 179.7 acres which make up these parks.

June 2, 2011

- B. There are isolated pockets of commercial land uses in the residential areas which we believe may be home businesses. It appears that home based businesses are changing the primary land uses from residential to commercial/industrial.
- C. Large sections of designated State, County and City parklands are incorrectly indicated as vacant land. The 2008 Land Use Map prepared by SCAG designates 763.8 acres as open space and recreation. The City's updated map designates 2,672.3 acres as open space and recreation, which accounts for a difference of 1,908.5 acres.
- D. Several other parcels that are shown as vacant are already part of existing residential development and should be listed as undevelopable.

An updated Land Use Map which reflects current land uses in the City is attached with this letter (Attachment 1). This map should replace the map entitled "Existing Land Use in City of Malibu" in the SCAG Data / Maps Guide. Shapefiles of the updated map will be mailed directly to Javier Minjares. Please provide direction on how the City can rectify the errors that we have found on the land use maps.

Items of note on the updated Land Use Map are:

- i. There is only one parcel designated as Mixed Urban. This parcel contains an existing legal non-conforming mixed use development comprised of single-family residence and a mixed commercial and industrial glass business (APN 4458-027-034);
- ii. A large parcel in the Civic Center area that contains Legacy Park has been designated as commercial because it contains a two commercial uses at the far corners (APN 4458-020-903). However, 15 acres of that site is a City park. Is there any way to designate only the portions of the site commercial and the rest as undevelopable?
- iii. When designating land use for the various residential properties, we categorized them as follows:
  - a. Parcels less than 10,000 sq. ft. in size → High-Density Single Family Residential (1111)
  - b. Parcels equal to or greater than 10,000 sq. ft. but less than 1 acre in size → Low-Density Single Family Residential (1112)
  - c. Parcels equal to or greater than 1 acre but less than 10 acres in size → Rural Residential, High Density (1151)
  - d. Parcels greater than 10 acres in size → Rural Residential, Low Density (1152)

In addition, enclosed please find the City's specific comments on the SCAG Data / Maps Guide (Attachment 2).

## 2. Local Profile Report for Malibu

After reviewing the February 2011 Draft Local Profile Report (LPR), we have the following comments:

- A. Pg. 5 includes a bar graph of population by age. When adding the various age groups for each of the three time periods (2000, 2010 and 2015), it appears that there was an increase of 70 permanent residents between 2000 and 2010, which is accurately reflected on the previous page. However, when extrapolating the

predicted growth between 2010 and 2015 (as denoted by the grey bars on the graph), the graph predicts an approximate gain of 1,605 permanent residents during five year period, from 12,645 to approximately 14,250. This number does not follow any trends and seems extremely high when related to the growth of 70 permanent residents during the ten year period between 2000 and 2010.

- B. Page 11 of the LPR includes a bar graph depicting Housing Production in the City between 2000 and 2010. The graph indicates that there were 360 building permits issued for residential units during this time period. Staff has researched City building permits for new residential units and provides the following annual information:

2000 – 52 permits	2006 – 24 permits
2001 – 47 permits	2007 – 29 permits
2002 – 53 permits	2008 – 30 permits
2003 – 39 permits	2009 – 20 permits
2004 – 16 permits	2010 – 12 permits
2005 – 7 permits	

The City issued 357 permits for the period from 2000 to 2010, not 360 permits as the LPR indicates.

- C. The employment figures listed for Malibu on page 14 of the LPR show an employment level of 8,179 jobs in 2010. Please provide additional information as to where these jobs are originating from as the number seems unrealistically high for the amount of commercial development in the City. Staff is concerned that businesses which are located outside of City limits have been included in this total. In addition, it is common practice for business owners to list the name of their company as being in Malibu for the name cache, when the actual physical location of the business and employees may be located outside the City limits. It is also likely that some small businesses have been geocoded at the owner's address in Malibu while many of the employees are located elsewhere.

### 3. **Revised Integrated Growth Forecast**

City staff has reviewed the revised integrated growth forecast and does not agree with the numbers forecasted for population, households and employment based on the following assumptions:

#### A. *Household Growth Need and Vacation Homes*

Like many jurisdictions in mountain, beach and desert resort areas, Malibu has a significant number of vacation homes. Malibu's Local Profile highlights that as of the 2010 Census, there were 6,864 housing units and 5,267 households; which is a difference of 1,597 units that are not occupied by full-time households. We anticipate that many of these additional units, which account for 23 percent of the total units in the City, are used for vacation homes and not permanent residences.

It is important that the methodology for assigning growth take this into account. For example, if a significant portion of new units built in the past were second homes, that

June 2, 2011

portion of new units should not be included when estimating the future development rate and capacity since second homes do not accommodate household growth need.

The full time resident population increase equaled a total of 130 new households between 2000 and 2010 (an average of 13 per year). Staff feels strongly that the City's RHNA allocation should be commensurate to the actual growth shown in Malibu over the last ten years.

### *B. Replacement Housing Need*

#### Units Lost in Natural Disasters

It is our understanding that the RHNA methodology for the 2006-2014 cycle included replacement need as a component of the total construction need. It should be noted that in some jurisdictions such as Malibu, fires or other natural disasters result in an artificially high number of units lost as compared to the normal process that occurs when a property owner chooses to improve or redevelop a parcel for economic or personal reasons.

For example, the 1993 Old Topanga Fire resulted in the destruction and damage of approximately 270 homes within the City. Applications to rebuild these sites are still being processed through the City and may be counted towards Malibu's housing replacement needs. Additionally, the firestorm of 2007 (Canyon Fire, Corral Fire and Malibu Road Fire) resulted in the loss of 20 single-family homes plus four guest houses within the City. Furthermore, two single-family homes were lost in the July 3, 2008 PCH Fire.

We request that this be taken into account in the new methodology, and those jurisdictions where natural disasters have occurred not be penalized by assigning additional housing replacement need. Such "disaster replacement" building permits should also be removed from the calculations of the anticipated rate of new development.

#### Income Categories for Replacement Units

A recent trend has occurred in Malibu related to the demolition of older existing residences and replacing them with larger residences. In some cases, three or four adjacent residences have been demolished, the lots merged and one large residence constructed in their place. Since 2005, permits have been issued by the City to demolish a total of 58 single-family residences and reconstruct 51 new residences in their place.

Another trend has been to convert non-conforming multi-family residences into single-family residences. Since 1995, permits have been issued to convert a total of 19 multi-family units into five single-family residences in addition to decreasing 33 existing multi-family units to 24 multi-family units.

We are concerned about the methodology that will be used to assign replacement housing units to income categories. It is our understanding that in the previous RHNA cycle, replacement need was distributed to income categories in the same proportion as total construction need. We are pleased to note that the agenda packet for your May 27, 2011 meeting included a brief discussion of this topic and indicated that it is SCAG's intent to revisit this issue.

June 2, 2011

We believe a strong case can be made for a different method of assigning replacement need to income categories. For example, the methodology for distributing household growth need based on Census data typically results in about 40% of the total need being allocated to the very-low and low categories, with adjustments to avoid impaction. As you know, under state Housing Element law lower-income need must be accommodated on land zoned for high-density multi-family development. Therefore, we believe it would be more appropriate for replacement need to be allocated to income categories based on the type of units demolished rather than the jurisdiction-wide income distribution. Under this approach, demolished multi-family buildings might be assigned to the very-low or low category while lower-density condos or single-family detached houses would be assigned to the moderate or above-moderate category respectively. It would clearly be an unfair application of the RHNA process if a jurisdiction where 100 single-family homes were replaced with new homes were allocated a replacement need of 40 high-density apartments and 60 additional moderate and above-moderate units.

### *C. City-Specific Constraints on Development*

The City cites Section 65584.04(d)(2) of Assembly Bill (AB) 2158 regarding the following specific constraints on development in the City of Malibu:

1. In September 2010, the California State Water Quality Control Board amended its Basin Plan for the Coastal Watersheds of Los Angeles and Ventura Counties by prohibiting onsite wastewater disposal systems in the Malibu Civic Center area. The prohibition allows no new onsite wastewater treatment systems (OWTS) in the area and requires the City to phase out commercial OWTS by 2015 and residential OWTS by 2019. The Civic Center area supports a population of approximately 2,000 residents and is the core of the City's business and commercial activities.

As the City is not served by a sewer system, individual or small package treatment plants are currently the only means available for effluent disposal. The State's prohibition of OWTS in the Civic Center area is one factor which significantly affects the City's ability to provide necessary infrastructure for some of the additional development allocated during this RHNA planning period.

2. There is a discrepancy between the amount of land suitable for development or for conversion to residential use. As noted earlier in this letter there were an additional 1,908.5 acres of land shown as vacant, and therefore having a development potential, when in reality those parcels are public open space owned and operated by various Federal, State and local agencies. These sites are not available to be put towards future housing needs of the City.

In addition, a majority of the vacant properties left in the City are undeveloped due to unfavorable site conditions. As stated in the City of Malibu General Plan:

"Environmental constraints will limit the ultimate buildout of both residential and commercial development in the City. For example, the City's slope density formula will reduce the potential for subdivision and development of larger parcels in the City... There are practical impediments to development of many areas of the City, such as natural constraints and the cost of infrastructure. For example, more than 50% of the vacant,

June 2, 2011

residentially designated land in Malibu is of a slope greater than 35% and not suitable for development.”

3. Since the last RHNA cycle, the City was legally obligated to adopt a Local Coastal Program (LCP) as written by the California Coastal Commission (CCC) in 2002. In the LCP, Overlay Maps were provided which designated large portions of the City as Environmentally Sensitive Habitat Areas (ESHA) (refer to Attachment 3). According to the maps, approximately 5,952 acres within the City are classified as ESHA. The LCP includes strict provisions for development on sites which contain or are adjacent to ESHA. These provisions include:

- a. Limits on the size of development:
  - i. The allowable development area on parcels where all feasible building sites are ESHA or ESHA buffer (located within 200 feet of ESHA) shall be 10,000 square feet or 25 percent of the parcel size, whichever is less. For parcels over 40 acres in size, the maximum development area may be increased by 500 sq. ft. for each additional acre over 40 acres in parcel size to a maximum of 43,560-sq. ft. in size. The development must be sited to avoid destruction of riparian habitat to the maximum extent feasible. The development area shall be reduced, or no development shall be allowed, if necessary to avoid a nuisance.
- b. Restrictions on lot line adjustments:
  - i. If ESHA is present on any of the parcels involved in the lot line adjustment, the lot line adjustment cannot increase the amount of ESHA that would be damaged or destroyed by development on any of the parcels, including any necessary road extensions, driveways, and required fuel modification.
- c. Restrictions on subdivisions:
  - i. Cannot subdivide a parcel that consists entirely of ESHA and/or ESHA buffer or create a new parcel that consists entirely of ESHA and/or ESHA buffer.
  - ii. Cannot create any new parcels without an identified, feasible building site that is located outside of ESHA and the ESHA and that would not require vegetation removal or thinning for fuel modification in ESHA and/or the ESHA buffer.
  - iii. Cannot result in construction of roads and/or driveways in ESHA, or ESHA buffer.

The designation of a property as ESHA or ESHA buffer severely limits the development potential on properties within the City and should be taken into consideration.

City staff would like to set up a meeting with SCAG staff to discuss the 2012 RTP process. If you have any further questions, please contact Stephanie Danner, Senior Planner, at [sdanner@malibucity.org](mailto:sdanner@malibucity.org) or at (310) 456-2489 x 276.

Yours truly,



Joyce Parker Bozylinski, AICP  
Planning Manager

June 2, 2011

**Attachments:**

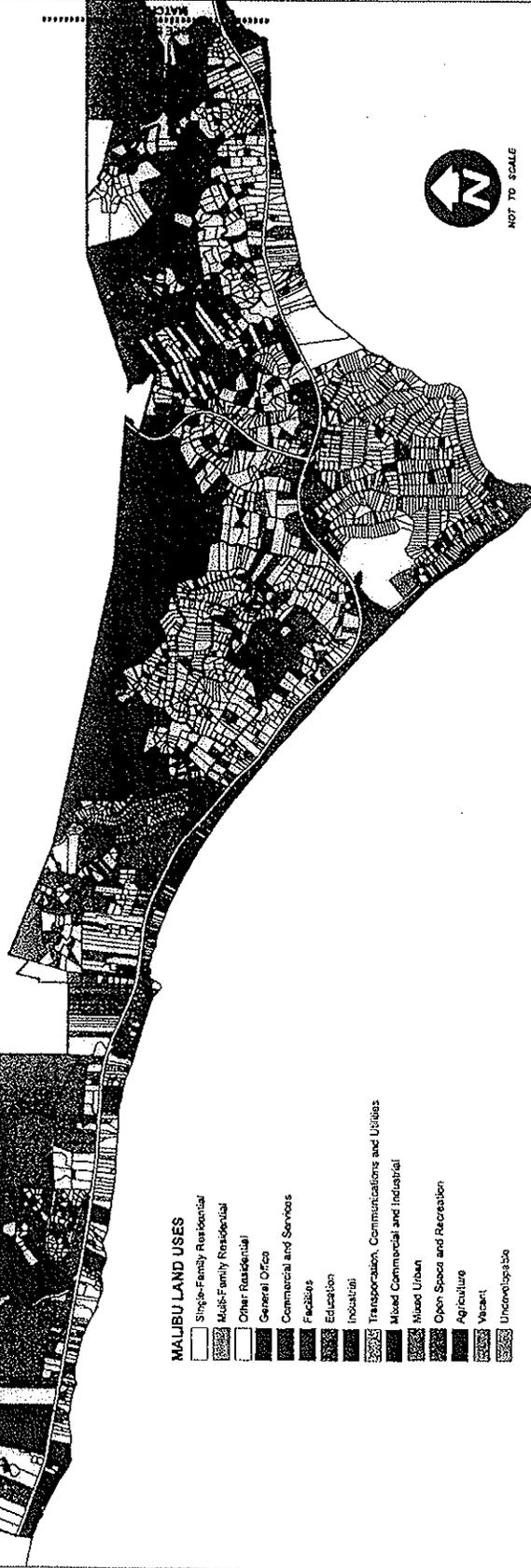
1. Updated Land Use Map
2. Specific Comments on the SCAG Data / Maps Guide
3. LCP ESHA Overlay Maps

**cc:**

- The Honorable Bill Jahn, Chair RHNA Subcommittee
- Hasan Ikhata, SCAG Executive Director
- Frank Wen, Ph.D., Manager of SCAG Research, Analysis and Information Services
- Matthew Horton, SCAG Regional Affairs Officer – Los Angeles County
- Javier Minjares, SCAG Regional Planner Specialist
- Jim Thorsen, Malibu City Manager
- John H. Douglas, City of Malibu Housing Consultant



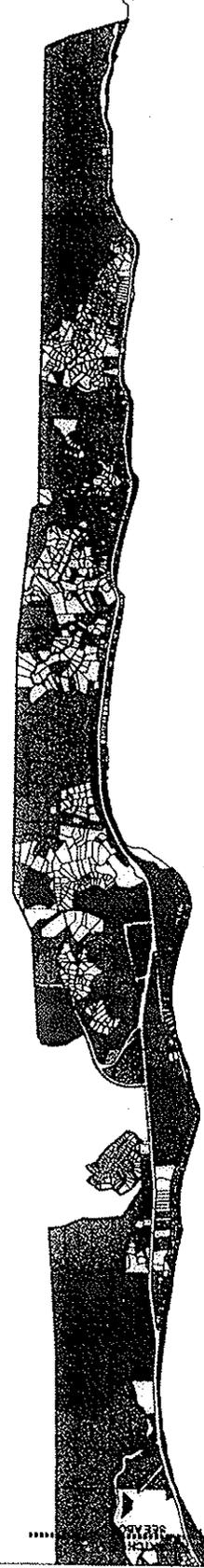
# LAND USES - 2010



NOT TO SCALE

## MALIBU LAND USES

- Single-Family Residential
- Multifamily Residential
- Other Residential
- General Office
- Commercial and Services
- Facilities
- Education
- Industrial
- Transportation, Communications and Utilities
- Mixed Commercial and Industrial
- Mixed Urban
- Open Space and Recreation
- Agriculture
- Vacant
- Undevelopable



## City of Malibu Comments on SCAG Data / Maps Guide: May 2011

June 2, 2011

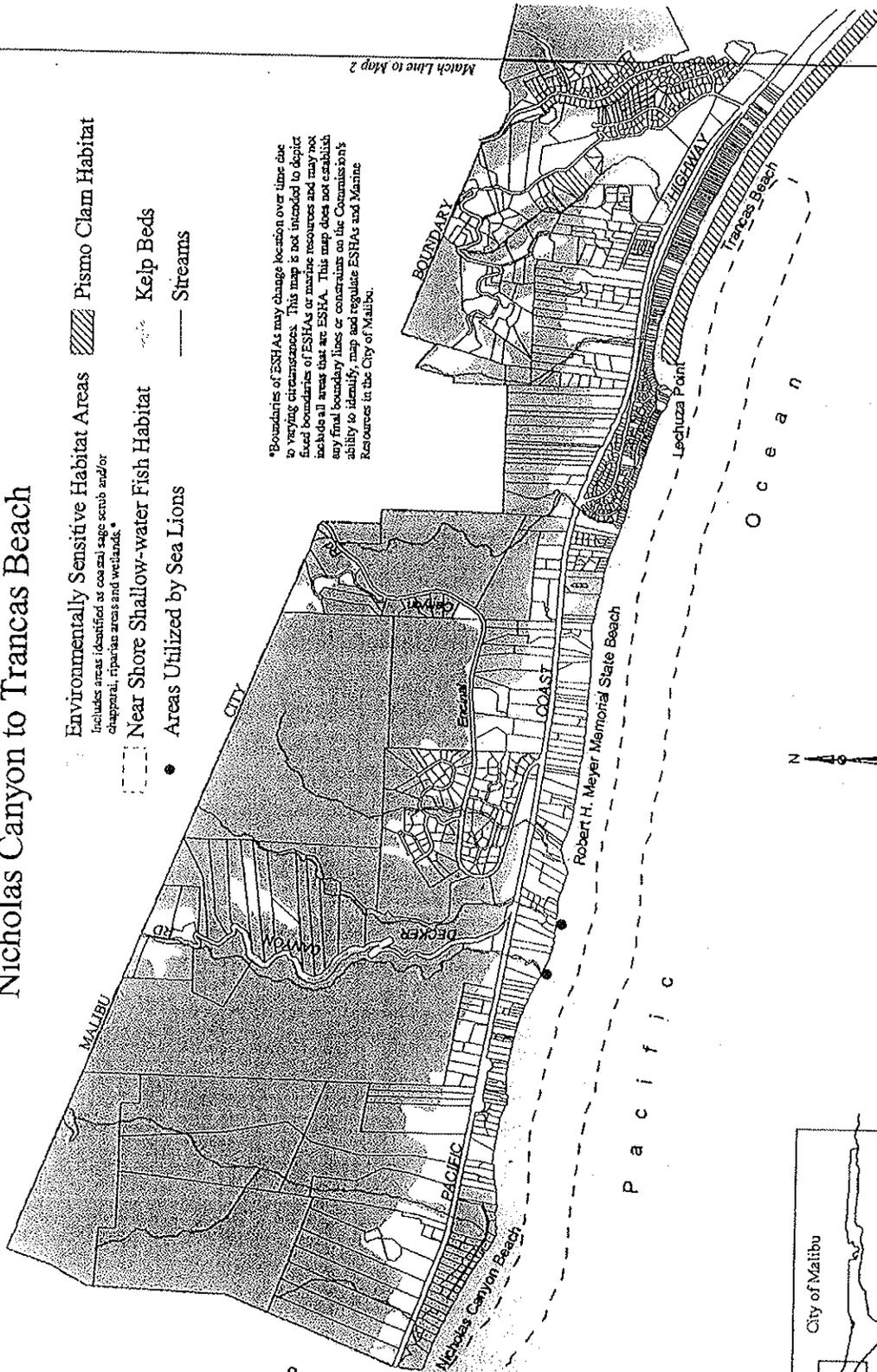
1. Pg. 4 - SCAG staff should present evidence of attempts to continuously communicate with the City of Malibu in order to obtain information starting in July 2009 up until the January 31, 2010 comments deadline.
2. Pg. 26 – data shown on the Socioeconomic Data bar graph contradicts pg. 8 of the Final Malibu Local Profile Report – May 2011 (LPR) in the following ways:
  - a. The value given for the number of households in 2008 is 5,355. The LPR shows that the number of households was 5,267 in 2010, which is a decrease of 88 households. Please rectify these statistics.
  - b. According to the LPR, between 2000 and 2010 there were a total of 130 new households in Malibu, which breaks down to 13 new households per year. The graph shows a gain of 439 households over the 12 year period between 2008 and 2020 (an approximate gain of 37 households per year) and a forecasted gain of an additional 482 households between 2020 and 2035 (an approximate gain of 32 households per year). These numbers are more than double the gain which was demonstrated in the Census between 2000 and 2010. What is the basis for this forecasted increase in household growth?
  - c. In 2008, the LPR shows 8,880 jobs and the bar graph shows 8,886 jobs for 2008. Small discrepancy.
  - d. The LPR shows 8,197 jobs for 2010, which accounts for a loss of 683 jobs between 2008 and 2010. What is this loss attributed to?
3. Pg. 28 – typo on zoning categories, should be “Multi-Family Beach Front” not Multi-Family Beach From”

Local Coastal Program - City of Malibu

# ESHA Overlay Map 1: Nicholas Canyon to Trancas Beach

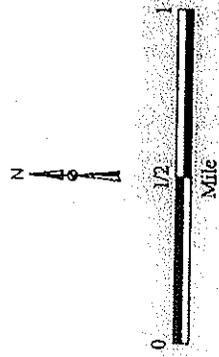
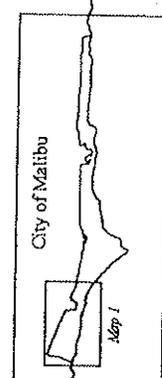
-  Environmentally Sensitive Habitat Areas  
Includes areas identified as coastal sage scrub and/or chaparral, riparian areas and wetlands.\*
-  Near Shore Shallow-water Fish Habitat
-  Areas Utilized by Sea Lions
-  Pismo Clam Habitat
-  Kelp Beds
-  Streams

Leo Carrillo State Park



\*Boundaries of ESHAs may change location over time due to varying circumstances. This map is not intended to depict fixed boundaries of ESHAs or marine resources and may not include all areas that are ESHA. This map does not establish any final boundary lines or contours on the Commission's ability to identify, map and regulate ESHAs and Marine Resources in the City of Malibu.

Match Line to Map 2



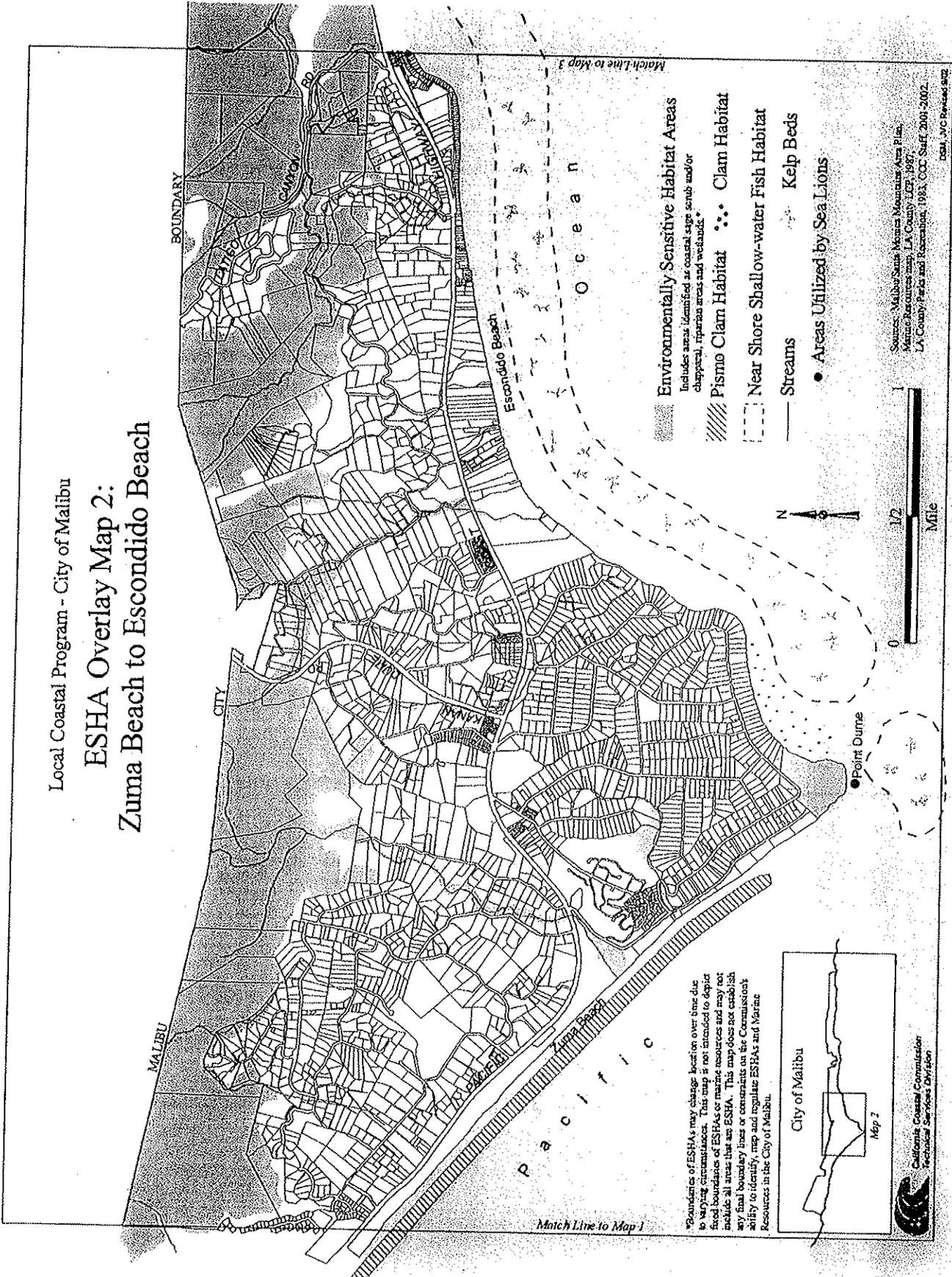
Source: Malibu/Santa Monica Mountains Area Plan, Marine Resources map, LA County LCP, 1987; LA County Parks and Recreation, 1983; CCC Staff, 2001-2002.

DSM, JVC February 2002



Local Coastal Program - City of Malibu

ESHA Overlay Map 2:  
Zuma Beach to Escondido Beach



Local Coastal Program - City of Malibu

# ESHA and Marine Resources Map 3: Dan Blocker to Malibu Pier

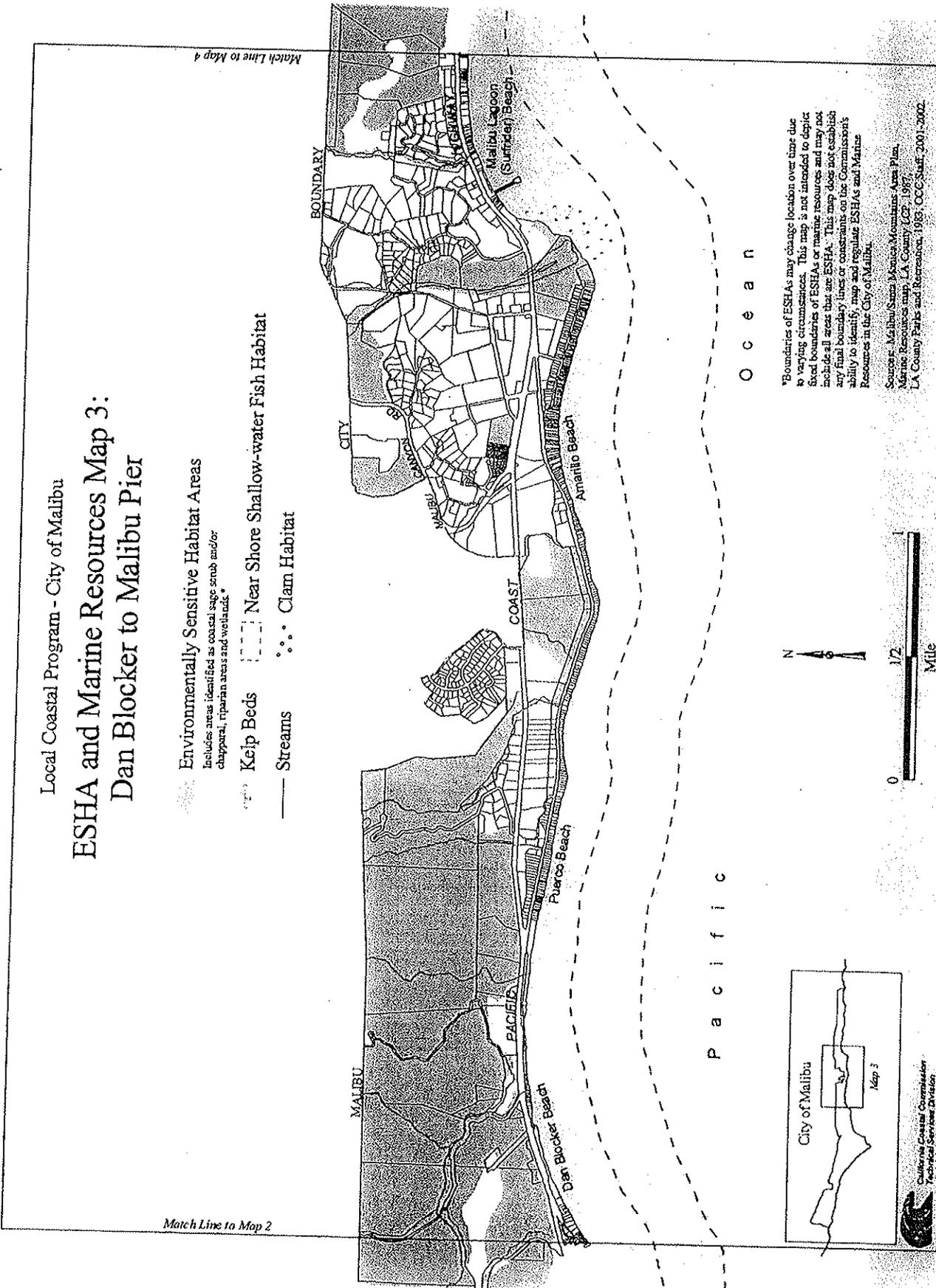
Environmentally Sensitive Habitat Areas  
Includes areas identified as coastal sage scrub and/or  
chaparral, riparian areas and wetlands\*

Kelp Beds

Near Shore Shallow-water Fish Habitat

Streams

Clam Habitat



\*Boundaries of ESHAs may change location over time due to varying circumstances. This map is not intended to depict fixed boundaries of ESHAs or marine resources and may not include all areas that are ESHA. This map does not establish any final boundary lines or constraints on the Commission's ability to identify, map and regulate ESHAs and Marine Resources in the City of Malibu.

Sources: Malibu/Santa Monica Mountains Area Plan  
Marine Resources map, LA County LCP, 1977  
LA County Parks and Recreation, 1983, OCC Staff, 2001, 2002.

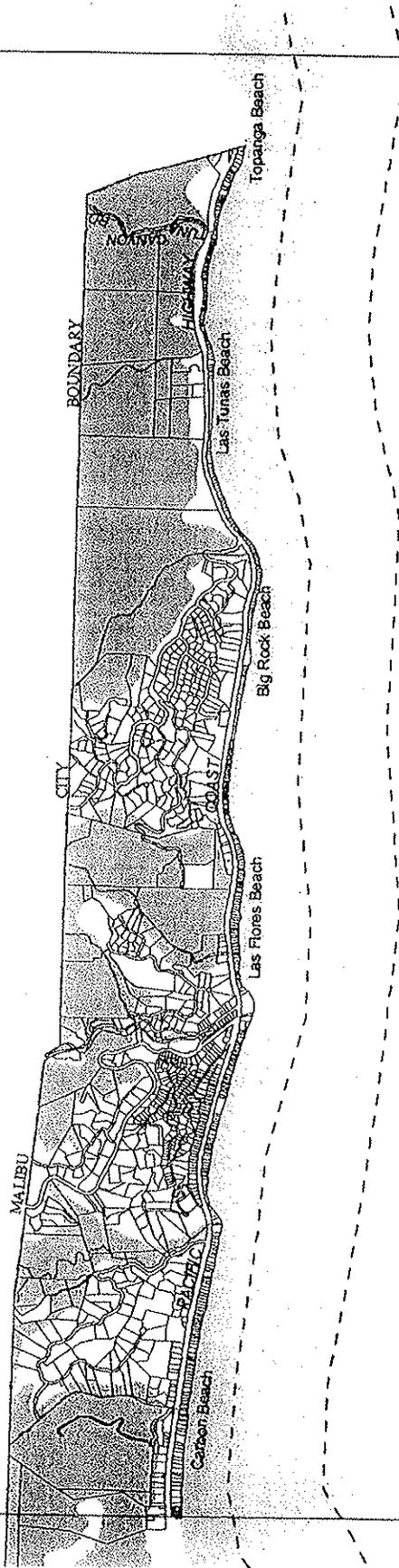
CSMA, JVC Revised 9/02

Local Coastal Program - City of Malibu

ESHA Overlay Map 4:  
Carbon Beach to Topanga Beach

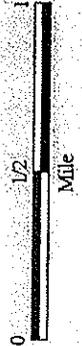
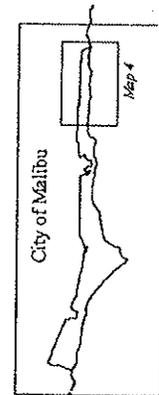
-  Environmentally Sensitive Habitat Areas  
includes areas identified as coastal sage scrub and/or chaparral, riparian areas and wetlands.\*
-  Near Shore Shallow-water Fish Habitat
-  Streams

Match Line to Map 3



P a c i f i c

O c e a n



\*Boundaries of ESHAs may change location over time due to varying circumstances. This map is not intended to depict fixed boundaries of ESHAs or marine resources and may not include all areas that are ESHA. This map does not establish any final boundary lines or comments on the Commission's ability to identify, map and regulate ESHAs and Marine Resources in the City of Malibu.

Sources: Malibu Santa Monica Mountains Area Plan, Marine Resources map, LA County LCP 1987, LA County Parks and Recreation, 1981, OCC Staff, 2001-2002.

DSM, JVC Revised 8/02



# REPORT

**DATE:** August 12, 2011  
**TO:** RHNA Subcommittee  
**FROM:** Joann Africa, Chief Counsel, 213-236-1928, africa@scag.ca.gov  
**SUBJECT:** Subregional Delegation Update

## EXECUTIVE DIRECTOR'S APPROVAL:

---

### RECOMMENDED ACTION:

For information only; no action required.

### EXECUTIVE SUMMARY:

*Staff would like to inform the RHNA Subcommittee that it appears at this time that there will be no jurisdictions that will be pursuing subregional delegation for the 5<sup>th</sup> cycle RHNA. As you may recall, the Subregional Delegation Guidelines that were approved by the Regional Council required jurisdictions to notify SCAG of their intent by June 30, 2011 to pursue RHNA delegation. By this deadline, only the cities of Los Angeles and San Fernando had submitted letters to SCAG indicating an interest in forming a subregional entity to undertake RHNA delegation. However on July 29, 2011, staff from the City of Los Angeles informed SCAG staff that it would be recommending to its Planning and Land Use Management (PLUM) Committee that the City of Los Angeles not pursue RHNA delegation due to lack of resources to support the process. The PLUM Committee met on August 2, 2011 and approved City staff's recommendation that Los Angeles not pursue RHNA delegation. Subsequently, the Los Angeles City Council will review the matter in mid-August 2011 to make a final decision regarding subregional delegation. Based upon this information, SCAG staff reasonably concludes that there will be no entities pursuing subregional delegation for this 5<sup>th</sup> cycle RHNA 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:

In accordance with Government Code Section 65584.03, SCAG may delegate to a "subregional entity" the responsibility of preparing an allocation of a local housing need plan for the jurisdictions within the subregional entity. As part of the Subregional Delegation Guidelines approved by the Regional Council for SCAG's 5<sup>th</sup> cycle RHNA, jurisdictions intending to form a subregional entity for RHNA purposes were required to notify SCAG of their intent by June 30, 2011 to pursue RHNA delegation. The jurisdictions thereafter would enter into a Delegation Agreement with SCAG by August 31, 2011.

SCAG received letters from both the cities of Los Angeles and San Fernando regarding their intent to pursue subregional delegation before the June 30<sup>th</sup> deadline. However more recently, staff from the City of Los Angeles informed SCAG staff that it would be recommending to its PLUM Committee that Los Angeles not pursue RHNA delegation due to lack of resources. A copy of the letter from City staff to its

# REPORT

PLUM Committee is attached with this report. Without the City of Los Angeles, the City of San Fernando would be unable to undertake RHNA delegation.

On August 2, 2011, the PLUM Committee took action to support City staff's recommendation that Los Angeles not pursue RHNA delegation. The matter is scheduled to go before the Los Angeles City Council for final action in mid-August 2011. Based upon this information, staff believes that there will be no subregional entities who will be undertaking RHNA delegation for this 5<sup>th</sup> cycle RHNA process.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

**ATTACHMENT:**

1. Letter dated August 2, 2011, from Michael Logrande, City of Los Angeles Director of Planning to City's Planning and Land Use Management (PLUM) Committee

Reviewed by:

  
\_\_\_\_\_  
*Department Director*

Reviewed by:

  
\_\_\_\_\_  
*Chief Financial Officer*

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CITY PLANNING COMMISSION

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PRESIDENT  
REGINA M. FREER  
VICE-PRESIDENT

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INFORMATION  
[www.planning.lacity.org](http://www.planning.lacity.org)

August 2, 2011

Los Angeles City Council  
c/o Office of the City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

Attention: Planning and Land Use Management Committee

Dear Honorable Members:

**CF 11-0961: RHNA SUBREGIONAL DELEGATION**

This report is in response to direction from the City Council to provide an analysis of the pros and cons and to make a staff recommendation regarding the City of Los Angeles forming a subregional entity with the City of San Fernando for the purposes of accepting subregional delegation of the Regional Housing Needs Assessment (RHNA) allocation process from the Southern California Association of Governments (SCAG).

**Background**

Under State law, the California Department of Housing and Community Development (HCD) determines the RHNA for the SCAG region for a given planning period. SCAG, in turn, is responsible for allocating the RHNA across all jurisdictions within the SCAG region. A jurisdiction's allocation ("share") of the RHNA must be incorporated into the jurisdiction's Housing Element of the General Plan, an update of which must be completed by October 2013.

State law allows SCAG to delegate to a "subregional entity" the responsibility of preparing a RHNA allocation for jurisdictions within the subregional entity. A subregional entity can be comprised of two or

more jurisdictions, as long as those jurisdictions are geographically contiguous. A subregional entity must comply with all of the same requirements under State law that SCAG must follow for allocating the RHNA to its member jurisdictions.

### **Considerations in Accepting RHNA Delegation**

#### **1. Local Control of the RHNA Allocation**

Delegation would provide local control over the RHNA allocation. As long as State requirements are met and the SCAG timeline is followed, all decisions regarding the allocation are the responsibility of the subregional entity. SCAG does not participate in the subregional process, and SCAG may only intervene if the subregional entity does not fulfill its obligations.

Discussion: The primary compelling advantage of delegation is that it provides local control over the RHNA allocation for the City. This includes developing a RHNA methodology that is better aligned with City policies and interests, rather than having to take into account the very diverse communities across the entire SCAG region. However, given that a subregional RHNA methodology must align with the larger SCAG methodology in order that the total SCAG RHNA allocation meets State requirements, and given that substantial resources are needed to prepare a RHNA methodology (see details below), it is likely that the subregion would adopt SCAG's draft RHNA methodology.

A downside of this local control is the obligation to negotiate disagreements with the City of San Fernando, if any, without the assistance of SCAG. Furthermore, SCAG will not provide indemnification for the subregional entity against claims or liabilities related to the Delegation Agreement. Thus, should there be challenges to the work of the subregional entity, all costs for addressing such challenges must be borne by the subregional entity. In the previous RHNA cycle when the City and the City of San Fernando accepted RHNA delegation, SCAG provided indemnification for up to \$25,000 in costs; no challenges were ultimately filed related to our Delegation Agreement.

#### **2. Protection against a RHNA Allocation that exceeds the City's share of the SCAG Region need**

Under delegation, the City would not be vulnerable to an additional allocation of housing units that could result from allocation revision requests or appeals from other jurisdictions in the SCAG region.

Discussion: The RHNA allocation process involves issuing a draft allocation for each jurisdiction, followed by the opportunity for each jurisdiction to challenge its allocation. If a jurisdiction is successful in establishing a lower allocation, the housing units no longer assigned to that jurisdiction must be assigned to another jurisdiction in order that the SCAG regional total is maintained. In short, delegation protects the City from this reallocation of housing units across the balance of the SCAG region. During the last RHNA cycle in 2007, among the jurisdictions participating in the SCAG RHNA allocation process (i.e., not covered by a Delegation Agreement), there were a total of 48 jurisdictions that requested a revision, appeal or both regarding their draft RHNA allocation, representing a total of 46,237 units being contested (6.5% of the SCAG region total RHNA of 707,219 units). SCAG approved the appeal of 4,736 units, and those units were reallocated across all jurisdictions in proportion to each jurisdiction's share of construction need. Had the City not accepted delegation in 2007, the City would likely have been

subject to incorporating one-sixth of the 4,736 appealed units, or approximately 800 additional units, as the City represents approximately one-sixth of the SCAG region construction need.

A downside to this protection against a larger RHNA allocation is the lack of indemnification from SCAG. As noted above, SCAG will not provide indemnification for the subregional entity against claims or liabilities related to the Delegation Agreement. Thus, costs for addressing challenges must be borne by the subregional entity whereas in the previous RHNA cycle SCAG provided indemnification for up to \$25,000 in costs.

### 3. Work Program

The initial step in accepting delegation is entering into a Delegation Agreement with the City of San Fernando and SCAG (no later than August 31, 2011). SCAG has prepared a Delegation Agreement. To execute this Agreement, the following tasks are required: review by the City Attorney; consideration by the City Council; adoption of a City Council resolution authorizing the City to form a subregion with the City of San Fernando and authorizing a representative to execute the Agreement; and, signing the Agreement.

Once the Delegation Agreement is executed, SCAG will provide the subregion with the total subregional RHNA allocation (anticipated on or before September 30, 2011). The subregion would then have the responsibility to develop its own RHNA allocation methodology, prepare a draft subregional housing allocation, conduct the revision requests and appeals process, and approve and submit a final subregional housing allocation plan to SCAG, meeting the requirements set forth in state housing laws pertaining to RHNA. This work program involves required public hearings at specific stages and requires adhering to the specified SCAG timeline for the RHNA process.

Details of the specific steps and timeline are delineated in Attachment 1. DCP staff estimates that at least 212 hours over the next 14 months would be needed to complete the RHNA allocation process with the City of San Fernando.

Discussion: This work program and corresponding time commitment are not currently part of the Department's FY11-12 work program and budget. This work program would require securing additional financial and staff resources; otherwise, other current work program commitments would be delayed, such as the completion of seven on-going New Community Plans and the update to the transportation element. Should the City Council choose to accept RHNA delegation, the Department recommends that the PLUM Committee request the preparation of a Fiscal Impact Statement by the Office of the Chief Legislative Analyst.

### 4. Financial assistance from SCAG

SCAG has committed to providing \$1,000 to each local government participating in the subregion to support the duties required in accepting delegation. Thus, \$1,000 would be available to the City of Los Angeles and another \$1,000 to the City of San Fernando.

Discussion: The financial resources available from SCAG do not cover the full cost of forming a subregion and conducting the RHNA allocation process for the subregion, based on the estimate of at least 158 hours of staff time needed.

**Conclusion**

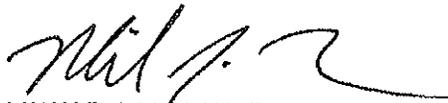
By accepting RHNA delegation the City would have control over the RHNA allocation process, including the final decision regarding the City's RHNA allocation as well as protecting the City against an increase to this allocation due to revision requests or appeals of other jurisdictions in the SCAG region. Thus, delegation provides some assurances that the City's obligation in the next Housing Element to identify its RHNA allocation and plan for the development of these housing units would be more closely aligned with City interests while also upholding the City's obligation to meet its share of the region's housing needs.

However, the work program and costs involved in accepting RHNA delegation from SCAG is significant. Substantial staff time is required. The City must be careful to fulfill all requirements of State law regarding the RHNA allocation process. The City must meet SCAG's timeline in order that the final RHNA allocation plan for the City and the City of San Fernando can be incorporated into the larger SCAG region RHNA allocation plan by the date required under State law. In addition, the City would not have indemnification protection from SCAG and must be prepared to cover any costs associated with challenges to this work should any arise. In sum, costs are significant and the only identified resource to assist with these costs is \$1,000 available from SCAG.

**Staff Recommendation**

1. Direct staff to inform the City of San Fernando that the City will not pursue RHNA delegation due to lack of resources to support the process.
2. Direct staff to inform SCAG that the City will not pursue RHNA delegation.

Sincerely,



MICHAEL J. LOGRANDE  
Director of Planning

Attachment

Attachment

RHNA Delegation Work Program  
 July 2011 – September 2012

No.	Task	Hours to complete*	Due Date
<b>1</b>	<b>Identify adjacent city/cities to form subregional entity</b>	<i>done</i>	<i>Done</i>
<b>2</b>	<b>Execute a Delegation Agreement among cities and SCAG, by August 31, including Council Resolution adopted prior to executing the agreement</b>		<b>Aug 31</b>
	DCP review of Delegation Agreement (and determine who will represent the sub-regional entity)	4	
	City Attorney review of Delegation Agreement	4	
	DCP preparation of City Council Resolution	2	
	DCP preparation of City Council Transmittal	16	
	Sign Delegation Agreement, sign Resolution, coordinate signing by SF City, and submit to SCAG	12	
<b>3</b>	<b>HCD RHNA for SCAG Region</b>	<b>no City time</b>	<b>August</b>
<b>4</b>	<b>SCAG conducts Public Hearing on SCAG's RHNA allocation to the RHNA sub-regions</b>		<b>Sept 30</b>
	DCP review of SCAG proposed RHNA allocation to LA City RHNA Sub-Region	4	
	DCP attends SCAG public hearing	4	
<b>5</b>	<b>Develop RHNA allocation plan for cities within the sub-region:</b>		
<b>5a</b>	<b>Develop distribution methodology</b>		
	Incorporate local planning factors (AB 2158 factors survey); SCAG to provide AB 2158 survey information to sub-region and growth forecast information by July 30, 2011	2	
	Apply social equity (aka "fair share") adjustment to address disproportionately higher shares of households in certain income categories (using the SCAG RHNA Subcommittee adopted adjustment factor of 110%, rather than determining a different adjustment factor)	16	
	Ensure that outcome of housing distribution after fair share adjustments adds up to the County distribution	16	

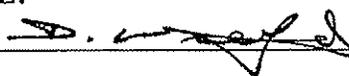
\* Staff time estimates include the review and input of department managers.

<b>5b</b>	<b>Release proposed sub-regional housing allocation methodology</b>		
	Prepare staff transmittal to City Council	16	
	Consideration by PLUM, and conduct the required public hearing	8	
	Consideration by HCED	8	
	City Council action to release	4	Oct 31
	Receive and consider comments on proposed methodology	16	
	Approve final RHNA allocation methodology: staff transmittal to City Council, PLUM/HCED consideration, final action by City Council	20	Dec 31
	Release draft RHNA allocation plan: issue allocation to LA City and to SF City	8	April 5, 2012
<b>5c</b>	<b>Conduct revision requests and appeals process</b>		<b>Spring-Summer</b>
	Consider revision or appeals, including public hearing	0 (none anticipated)	
<b>5d</b>	<b>Approve and submit the final sub-regional allocation plan and submit to SCAG</b>		<b>Aug 31</b>
	Prepare staff transmittal to City Council	16	
	Consideration by PLUM, with public hearing	8	
	Consideration by HCED	8	
	Final action by City Council	8	
	Transmit sub-regional allocation plan to SCAG	4	
<b>6</b>	<b>SCAG approves Final RHNA allocation plan, which incorporates sub-regional RHNA allocation plans, including a public hearing</b>	8	
	SCAG submits Final allocation plan to HCD	No City time	Oct 4
<b>7</b>	<b>HCD approves SCAG Final RHNA allocation plan</b>	<b>No City time</b>	<b>Dec 4</b>
---	<b>Update of Housing Element completed</b>		<b>Oct 31, 2013</b>
	<b>Total estimated staff hours:</b>	<b>212</b>	

# REPORT

**DATE:** August 12, 2011  
**TO:** RHNA Subcommittee  
**FROM:** Ma'Ayn Johnson, Senior Regional Planner, 213-236-1975, johnson@scag.ca.gov  
**SUBJECT:** Public Hearing on Proposed RHNA Methodology

**EXECUTIVE DIRECTOR'S APPROVAL:**

 Fo: KH

**RECOMMENDED ACTION:**

Select a date to hold a public hearing to receive verbal and written comments on the proposed RHNA methodology and recommend to the Community, Economic & Human Development Committee (CEHD) that the RHNA Subcommittee preside over the hearing.

**EXECUTIVE SUMMARY:**

*Per Government Code Section 65584.04(c), SCAG is required to hold at least one public hearing to receive verbal and written comments on the proposed RHNA methodology. The hearing must occur within the 60-day comment period after the distribution of the proposed methodology.*

**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:**

Per Government Code Section 65584.04(c), SCAG is required to hold at least one public hearing to receive verbal and written comments on the proposed RHNA methodology. The hearing must occur within the 60-day comment period after the distribution of the proposed methodology.

A draft of the proposed methodology is on the August 12 RHNA Subcommittee agenda. The recommended action is to recommend that CEHD recommend to the Regional Council release of the proposed methodology on September 1, 2011. After the 60-day comment period and after making any revisions deemed appropriate by SCAG as a result of comments received, the Regional Council will adopt the final RHNA methodology.

After the release of the proposed RHNA methodology, staff will notify all SCAG jurisdictions, interested stakeholders, and the general public of the hearing date. Although the sole purpose of the hearing is to receive comments without taking action at the hearing, staff recommends that the RHNA Subcommittee preside over the hearing.

Staff recommends one of the following dates for the proposed methodology hearing:

- Monday, October 10
- Tuesday, October 11
- Monday, October 17
- Tuesday, October 18
- Wednesday, October 19

# REPORT

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SCAG videoconferencing sites will be open to receive comments.

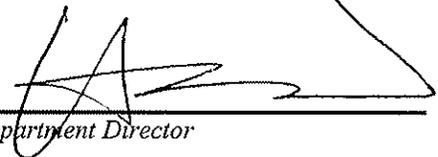
**FISCAL IMPACT:**

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

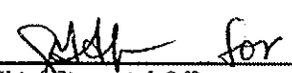
**ATTACHMENT:**

None.

Reviewed by:

  
\_\_\_\_\_  
*Department Director*

Reviewed by:

  
\_\_\_\_\_  
*Chief Financial Officer*

# REPORT

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**DATE:** August 12, 2011

**TO:** Regional Housing Need Allocation (RHNA) Subcommittee

**FROM:** Frank Wen, Manager, Research, Analysis and Information Services, 213-236-1854, [wen@scag.ca.gov](mailto:wen@scag.ca.gov)  
Simon Choi, Chief of Research & Forecasting, 213-236-1849, [choi@scag.ca.gov](mailto:choi@scag.ca.gov)  
Ma'Ayn Johnson, Senior Regional Planner, Comprehensive Planning, 213-236-1975, [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov)

**SUBJECT:** Proposed RHNA Methodology

## EXECUTIVE DIRECTOR'S APPROVAL:

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### RECOMMENDED ACTION:

Recommend the Community, Economic & Human Development Committee (CEHD) recommend that the Regional Council approve release of the proposed RHNA methodology.

### EXECUTIVE SUMMARY:

*Per Government Code Section 65585.04, SCAG is required to develop a proposed methodology for distributing the existing and projected regional housing need to cities and counties within the region. The proposed methodology will be applied to the regional need determined by the California Department of Housing and Community Development (HCD) to develop the proposed RHNA allocation. The proposed methodology contains data on existing and projected housing needs along with key factors used to project growth. Within sixty days of distribution, a public hearing will be held to receive comments on the proposed methodology. After the sixty day comment period, SCAG will adopt a final methodology, which will be used to distribute the projected regional housing need to the jurisdictions within the region.*

*As staff has previously reported, consultation with HCD regarding the regional allocation and certain aspects of the methodology are continuing and are expected to be finalized soon. Staff will report at the meeting on any updates to the proposed methodology that may arise from the HCD consultation process subsequent to the issuance of this staff report.*

### 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:

Per Government Code Section 65585.04, SCAG is required to develop a proposed methodology for distributing the existing and projected regional housing need to cities and counties within the region. The 2012 proposed RHNA methodology includes several components to 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;

# REPORT

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 need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

The 2012 RHNA (5<sup>th</sup> cycle) planning period covers January 1, 2011 through September 30, 2021. Due to the requirements of state housing law, 5<sup>th</sup> cycle housing elements are due to HCD in October 2013. The proposed methodology must be developed no later than 24 months from the housing element due date and thus cannot be done later than October 2011. Within 60 days of the distribution of the proposed draft RHNA methodology, SCAG will hold a public hearing to receive comments on the proposed methodology to receive verbal and written comments on the proposed methodology. At the end of the 60 day public comment period, after making any necessary revisions, SCAG will adopt the final RHNA methodology.

The proposed methodology is categorized into several sections: existing housing need, projected housing need for the RHNA planning period, the interactions between the RHNA process and the RTP/SCS development process, and the SCAG 2012 Integrated Growth Forecast process and results for the Regional Transportation Plan (RTP)/ Sustainable Communities Strategy (SCS) and RHNA.

## **A) Existing Housing Needs**

As part of RHNA methodology, SCAG is required to include information on existing housing need. The existing housing need statistics are used as a starting point in developing the RHNA methodology. The data includes information such as current household income distribution, overcrowded and overpaying households, farmworker employment, and loss of low income units due to contract expirations (see attachment 1). This data was distributed in draft form on the RHNA website and to stakeholders and interested parties in late July this year.

## **B) Projected Housing Need**

### **B)1. Projected Regional Total Housing Need**

Per state housing law, HCD is tasked with the responsibility of developing a regional determination for future housing need in consultation with SCAG. Government Code Section 65584.01 provides a procedure and process to guide the consultation process between SCAG, HCD, and the California Department of Finance (DOF) to reach the determination. Based on the 2012 RTP/SCS Integrated Growth Forecast process and results, staff presented the Subcommittee a draft consultation packet with key data and methodology to begin the consultation process. The first consultation meeting with HCD was held on June 20, 2011. The statutory deadline for a regional determination is August 31, 2011.

### **B)2. RHNA Allocation Methodology**

The Allocation Methodology is a tool used to assign each jurisdiction in the SCAG region its share of the region's total housing need. Per Government Code Section 65584.04 (b)(1), SCAG must survey its jurisdictions on local conditions described in Section 65584.04 (d):

# REPORT

- (1) Existing and projected jobs and housing relationship
- (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

A survey was distributed to all local jurisdictions in mid-June 2011 requesting information on the above factors. As of July 29, 2011 73 jurisdictions responded to the survey. Staff reviewed the responses to the survey and incorporated them as appropriate into the proposed methodology. The proposed methodology must include an explanation of how the surveyed data has been used to develop the methodology and how the data has been incorporated. Per statute, the factors cannot be used to reduce total regional housing need, nor can SCAG consider local ordinances or policies that directly or indirectly limits the number of residential building permits as a justification to determine or reduce a jurisdiction's RHNA allocation share.

At its June 24, 2011 meeting, the RHNA Subcommittee recommended a social equity adjustment be applied to address housing goal #4 listed in Government Code Section 65584(d):

“Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census”

The RHNA Subcommittee recommended that a 110 percent social equity adjustment be included as part of the proposed RHNA methodology to meet the fair share goals of state housing law. A 110 percent adjustment would modify a jurisdiction's income category distribution towards the county distribution by 110 percent. The RHNA Subcommittee indicated that this percentage not only progresses towards the county distribution, but also moves towards the diversity goals of RHNA law.

### B)3. Interactions between the RHNA and RTP/SCS Development Processes

Pursuant to Government Code Section 65584.04, housing planning needs to be coordinated and integrated with the Regional Transportation Plan. To achieve this goal, per 65584.04 (i), the RHNA allocation plan shall allocate housing units within the region consistent with the development pattern included in the SCS,

# REPORT

and the SCS shall identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584. In cooperation with the respective SCAG subregions, SCAG will conduct a minimum of 16 public workshops by August 2011 to seek input in regards to developing the draft 2012 RTP/SCS and RHNA, and refining the growth capacity of jurisdictions on the Integrated Growth Forecast.

In addition, as required by Government Code Section 65584.04 (g), SCAG staff will 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.

## B)4. Integrated Growth Forecast Process and Results for 2012 RTP/SCS and RHNA

SCAG's Integrated Growth Forecast is the foundation for 2012 RTP/SCS development and housing planning efforts. SCAG began the current Integrated Growth Forecast process in May 2009. Through the 2-year process, SCAG ensured that the assumptions used and its methodology reflect all the most recent socioeconomic data and statistics for the Integrated Growth Forecast. This includes expert panel opinions, 2010 Census, American Community Survey (ACS) information, and input from all SCAG subregions, local jurisdictions, and major stakeholders.

Staff recommends that the RHNA Subcommittee recommend to CEHD for further recommendation to the Regional Council that the proposed RHNA methodology be released for distribution on September 1, 2011.

### **FISCAL IMPACT:**

Work associated with this item is included in the current FY 10-11 General Fund Budget (11-800.0160.03:RHNA).

### **ATTACHMENTS:**

1. Proposed RHNA Methodology Contents Table
2. Proposed RHNA Methodology

Reviewed by:

  
\_\_\_\_\_  
*Department Director*

Reviewed by:

  
\_\_\_\_\_  
*Chief Financial Officer*

Attachment 1

Proposed RHNA Methodology Contents Table

Anticipated Action Date

A) Existing Housing Needs	August 12 RHNA Subcommittee
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	
B) Projected Housing Need	
1. Projected Regional Total Housing Need	August 2011, HCD
a. Population, household and headship rate	
b. Tribal lands	
c. Healthy market vacancy rates	
d. Replacement need	
e. "Excess" vacancy adjustment	
2. RHNA Allocation Methodology	June 24 RHNA Subcommittee
a. Social equity adjustment	
b. Local planning factors	August 12 RHNA Subcommittee
• 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)	
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

## Attachment 2: Proposed RHNA Methodology

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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 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)<sup>1</sup> 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

<sup>1</sup> 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.

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). Seventy-three (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
- (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). SCAG is in the process, however, of conducting regional and subregional workshops for the development of the 2012 RTP/SCS, Integrated Growth Forecast, and RHNA. 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.

Specifically, 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 are appropriately maintained 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://javiern:scag123@data.scag.ca.gov/Data\\_Map\\_Guide\\_Example.zip](ftp://javiern: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://javiern:scag123@data.scag.ca.gov/Data\\_Map\\_Guide\\_Example.zip](ftp://javiern: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 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 Stepwise Procedure of RHNA Allocation Methodology***

Apply the following components and steps to determine the proposed RHNA Allocation Methodology:

- (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 (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).

### ***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 whether they affect the Allocation Methodology, as part of the second round public workshop relating to different scenarios for RTP/SCS and RHNA set for between September and December 2011.

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*