



AGENDA ITEM 1

REPORT

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700, Los Angeles, California 90017
March 5, 2020

To: Community
Economic & Human Development Committee (CEHD)
Regional Council (RC)
From: Kome Ajise, Executive Director, Executive Management,
213-236-1835, Ajise@scag.ca.gov
Subject: Recommended Final RHNA Methodology

**EXECUTIVE DIRECTOR'S
APPROVAL**

RECOMMENDED ACTION FOR CEHD:

Approve a recommendation that Regional Council (RC) approve Resolution No. 20-619-2 Adopting the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021- 2029).

RECOMMENDED ACTION FOR RC:

Approve Resolution No. 20-619-2 Adopting the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021- 2029).

STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians.

EXECUTIVE SUMMARY:

As part of the RHNA process, SCAG must develop a final RHNA methodology, which will determine each jurisdiction's draft RHNA allocation as a share of the regional determination of 1,341,827 housing units need as determined by the California Department of Housing and Community Development (HCD). At the RHNA Subcommittee meeting on February 24, 2020, the subcommittee voted to approve the staff recommendation, with direction to staff to analyze a proposal submitted by the City of Cerritos for consideration by CEHD. Staff has provided such requested analysis as part of a presentation attached to this report. Considering the approval of a draft RHNA methodology by the Regional Council on November 7, 2019, and a review finding by HCD that the draft methodology furthers the statutory objectives of RHNA, staff requests that CEHD recommend Regional Council approval of Resolution No. 20-619-2, which reflects adoption of the draft RHNA methodology as the final RHNA methodology.

BACKGROUND:

As part of the RHNA process, SCAG must develop a final RHNA methodology, which will determine each jurisdiction's draft RHNA allocation as a share of the regional determination of 1,341,827

OUR MISSION

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

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EXHIBIT 8

housing unit need as determined by HCD.

Between August 1 and September 13, 2019, SCAG solicited public comments on three options for allocating the regional determination to the region's 197 local jurisdictions. Based on feedback received, and after careful consideration of the statutory objectives of RHNA which guide the methodology process, the Regional Council voted on November 7, 2019 to approve a draft RHNA methodology. A detailed timeline of meetings, submissions, staff reports, and correspondence is attached (RHNA Timeline of Key Activities and Milestones).

Per Government Code 65584.04 et seq., HCD has 60 days to review the draft methodology and determine whether it furthers the statutory objectives of RHNA. If HCD finds that the draft methodology is not consistent with the five statutory objectives of RHNA, SCAG may make revisions to further the statutory objectives per HCD review comments. On January 13, 2020, HCD completed their statutory review and found that SCAG's draft RHNA Methodology furthers the five statutory objectives of RHNA, which allows SCAG to finalize the RHNA methodology and issue draft RHNA allocations to each individual jurisdiction. HCD's comment letter (attached) notes:

"HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology."

HCD's analysis individually reviews the five statutory objectives of RHNA. Particular emphases are placed on data-based indicators of the extent to which SCAG's draft RHNA methodology (1) assigns more lower-income units to high-income/high-resourced jurisdictions, and (2) assigns lower-income units to jurisdictions with more low-wage jobs. HCD concludes its letter with an indication that "any changes made in response to appeals should be in the interest of seeking ways to more deeply further the objectives without compromising other objectives." HCD's findings confirm and complement SCAG's assessment of the methodology and illustrate how the distribution of units across the region advances statutory objectives (see attached PowerPoint).

Following HCD's findings of compliance, staff recommends that the Regional Council adopt the draft RHNA methodology as the final RHNA methodology by resolution. A detailed description of the methodology is attached. Thereafter, individual jurisdictions' draft RHNA allocation numbers will be issued in the Draft RHNA Allocation Plan, an appeals process will be conducted, and final RHNA allocations are scheduled to be issued by October 2020.

The staff-recommended final RHNA methodology will utilize final Connect SoCal data for the purpose of calculating each jurisdiction's allocation. These data have recently become available following the January 24, 2020 close of the Connect SoCal public comment period and reflect the data and model updates made since the draft Plan release on November 7, 2019. While the draft methodology and staff-recommended final methodology are identical, jurisdictions may see slight changes in their estimated RHNA allocation totals owing to changes in the data, which are used in the measurement of transit access and job access in the RHNA methodology. Region-wide, these data changes are equivalent to no more than 1.69% of the regional total. No further changes to these data are anticipated. The final Connect SoCal plan will be considered by the Regional Council on April 2, 2020 in advance of the release of the Draft RHNA Allocation Plan in order to ensure that SCAG is fully compliant with statutory requirements.

RHNA Subcommittee Action

At the RHNA Subcommittee meeting on February 24, 2020, several public comments spurred discussion of an alternative methodology proposed by the City of Cerritos. In advancing staff's recommended final methodology, the RHNA Subcommittee also directed staff to analyze and report to CEHD on Cerritos' proposal. Analysis is provided in the attached presentation.

Justifications for Adopting RC-Approved Draft Methodology without Change as the Final Methodology

Staff's assessment is that the alternative methodology proposed by the City of Cerritos would perform more poorly against statutory objectives than the RC and HCD-approved methodology (i.e., "backslide") and thus would likely jeopardize HCD's compliance findings described above. Additionally, state law does not provide for a second review by HCD of draft RHNA methodology. If a second methodology is submitted by SCAG to HCD, it would likely trigger the 60-day period for HCD's review of draft RHNA methodology under state law. Such a delay would jeopardize SCAG's ability to adopt a Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) by the scheduled April 2, 2020 date, since SCAG is required to distribute a draft RHNA allocation (based on the adopted Final Methodology) to each city and county in the region prior to adoption of the Connect SoCal Plan, under Government Code 65584.05(a). A delay associated with any further review could also jeopardize the ability of SCAG to finalize 6th cycle RHNA allocations in October 2020 and consequently, the ability of local jurisdictions to complete timely housing element updates by October 2021.

Finally, several comments received prior to and during the February 24, 2020 RHNA Subcommittee meeting concerned the Draft RHNA Methodology review and approval process. In response, the following section provides further information about this process.

Draft RHNA Methodology Approval Process

From about February 2019 until October 2019, SCAG held eighteen (18) public meetings, four public hearings and an information session where staff presented three proposed RHNA methodology options, and received over 250 written comments. Written comments received on the RHNA Methodology have been logged as “Written Comments Received on the 6th Cycle RHNA” (included in RHNA Subcommittee Meeting Agendas) and posted on SCAG’s RHNA webpage at <http://www.scag.ca.gov/programs/Pages/RHNA-comments.aspx>.

Activities leading to the Regional Council action on November 7, 2019 as reflected in the public meeting records, are highlighted as follows:

October 7, 2019 RHNA Subcommittee meeting

As part of the October 7th RHNA Subcommittee meeting agenda Item No. 5, staff presented a recommended draft RHNA methodology. During the meeting, Hon. Wendy Bucknum (Orange County) made a motion to move forward the staff recommended Draft RHNA Methodology to the CEHD Committee. Hon. Rusty Bailey (Riverside County) proposed a substitute motion for a draft RHNA methodology that would incorporate comments made by RHNA Subcommittee ex-officio member Paavo Monkkonen. The substitute motion proposed to eliminate the “Household Growth 2030-2045” factor from allocating the existing need so that the existing need allocation methodology would only include ‘Population within HQTAs’ and ‘Job Accessibility’ as factors at a 50-50 ratio. The substitute motion was not approved by a 4:3 vote. The original motion to move forward with the staff recommended draft RHNA methodology to the CEHD Committee, was approved by a 5:1 vote.

October 21, 2019 CEHD meeting

The CEHD voted unanimously to recommend that the Regional Council submit the staff recommended draft RHNA methodology to HCD for their 60-day review.

November 7, 2019 Regional Council Meeting

SCAG posted on its website the November 7, 2019 Regional Council meeting agenda packet, over 72-hours in advance of the regular meeting, in accordance with the Brown Act, Government Code Section 54950 et seq. The November 7th Regional Council meeting agenda Item No. 4 regarding the Recommended Draft RHNA Methodology included a staff report that provided information on both the staff recommended RHNA methodology, which was unanimously recommended for Regional Council approval by CEHD, in addition to information about the alternative RHNA methodology previously considered by the RHNA Subcommittee as part of the substitute motion made by Mayor Rusty Bailey (Riverside County). See Item No. 4, November 7, 2019 Regional Council Meeting Agenda at: http://www.scag.ca.gov/committees/CommitteeDocLibrary/RC_fullagn_110719.pdf.

At the November 7th Regional Council meeting, SCAG staff provided power point presentations as part of agenda Item No. 4, on both the staff-recommended and alternative RHNA methodologies. Fourteen (14) letters related to Item No. 4 were acknowledged in the record as transmitted to the Regional Council, posted on SCAG's website and paper copies were made available in the back of the meeting room for review by the Regional Council and public. Additionally, oral comments were received at the meeting as part of the public comment period.

After a robust discussion by Regional Council members regarding both methodologies presented by staff, the Regional Council approved (43:19) as a substitute motion made by Mayor Rusty Bailey (Riverside), the "Bailey Proposal" as the Draft RHNA Methodology to be submitted by SCAG to HCD with direction that staff also review Items 2, 3 and 4 of the City of Los Angeles' position packet and report back as to what these items may mean to the Draft RHNA Methodology. The Bailey Proposal eliminates the use of household growth between 2030 and 2045 to allocate existing need, assigns 50% of the existing need based on transit accessibility and the remaining 50% based on job accessibility, removes the cap on RHNA allocations based on a jurisdiction's 2045 Household Growth except for those in extremely Disadvantaged Communities (DACs), and re-distributes 'residual' units to non-DAC jurisdictions within the county in which they were generated, instead of a region-wide distribution.

More information on the process summarized above including links to associated correspondence can be found in the *Supplemental Analysis of Adopted Draft RHNA Methodology*, which was provided as a Receive and File report to the Executive/Administrative Committee (EAC) and Regional Council (RC) on February 6, 2020 (See Item No. 16 at: http://www.scag.ca.gov/committees/CommitteeDocLibrary/RC_fullagn020620.pdf). This analysis constitutes the report requested in the substitute motion and also addresses process questions raised by the Technical Working Group and other stakeholders.

FISCAL IMPACT:

Current work on the Regional Housing Needs Assessment is included in the current FY 19-20 General Fund Budget (800.0160.03: RHNA). There is no immediate fiscal impact for the tasks proposed under these funds.

ATTACHMENT(S):

1. Staff Recommended Final RHNA Methodology Presentation
2. HCD Review of Draft RHNA Methodology
3. Resolution to adopt Final RHNA Methodology and Attachment A
4. Estimated RHNA Allocations
5. RHNA Timeline of Key Activities and Milestones

Staff-Recommended Final RHNA Methodology

Kevin Kane, PhD
SCAG Staff
February 24, 2020

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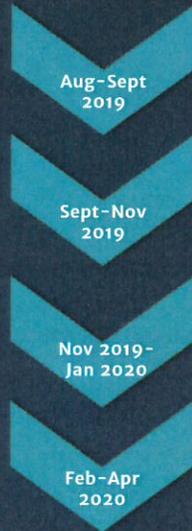
Outline of Presentation



- RHNA timeline
- HCD and RC-approved draft RHNA methodology and data inputs
- Methodology performance vs. statutory objectives

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The RHNA Methodology Process



- **Proposed RHNA Methodology**

 - Released for public comment August 1
 - Four public hearings and one public information session
 - Multiple options and components for review and comment
- **Draft RHNA Methodology**

 - One methodology based on state housing law and regional goals while considering public comments
 - October 7: RHNA Subcommittee
 - October 21: CEHD Committee
 - November 7: Regional Council approval
- **HCD Comment Period**

 - 60 day review of draft RHNA methodology
 - January 13: HCD concluded that SCAG draft methodology furthers RHNA objectives—statute does not provide for further changes to methodology
- **Final RHNA Methodology**

 - Following HCD finding, staff recommends RC-approved Draft Methodology as Final Methodology
 - February 24: RHNA Subcommittee
 - March 5: CEHD Committee
 - March 5: Regional Council adopts final methodology by resolution
 - April 2: Regional Council releases draft RHNA allocations to each jurisdiction

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RHNA Timeline Continued



- **Draft RHNA Allocations issued**

 - See detailed appeal timeline.
- **Final RHNA Allocation**
- **Local Housing Element Updates Due**

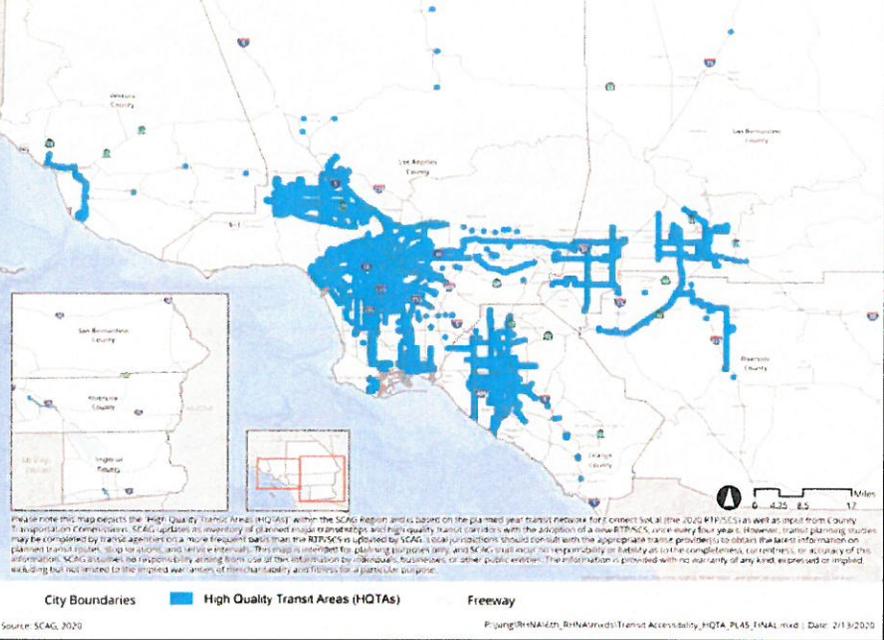
ALSO NOTE:

- Statute does not provide for another review by HCD
- Even if possible, the need for another 60 days of HCD review could delay RTP/SCS adoption and/or local housing element updates
- Based on HCD letter, changes which “backslide” on RHNA objectives not likely to be accepted by HCD

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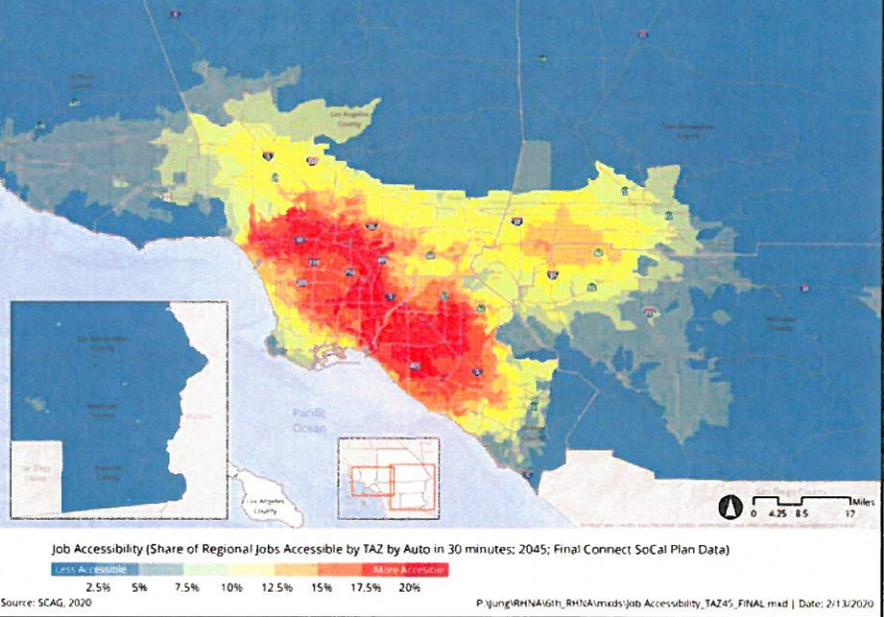
HQTA Boundaries using Final Connect SoCal Data

High Quality Transit Areas (HQTAs; 2045; Final Connect SoCal Plan Data)



Job Accessibility using Final Connect SoCal Data

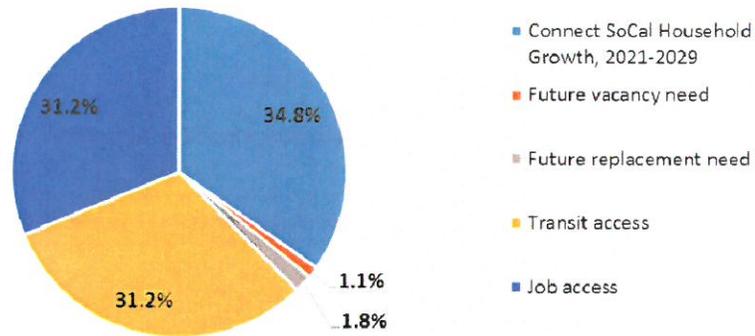
Job Accessibility (Share of Regional Jobs Accessible by TAZ by Auto in 30 minutes; 2045; Final Connect SoCal Plan Data)



The RHNA Methodology: A plan to allocate 1,341,827 units to 197 jurisdictions



Staff Recommended Final RHNA Methodology - Regional Breakdown

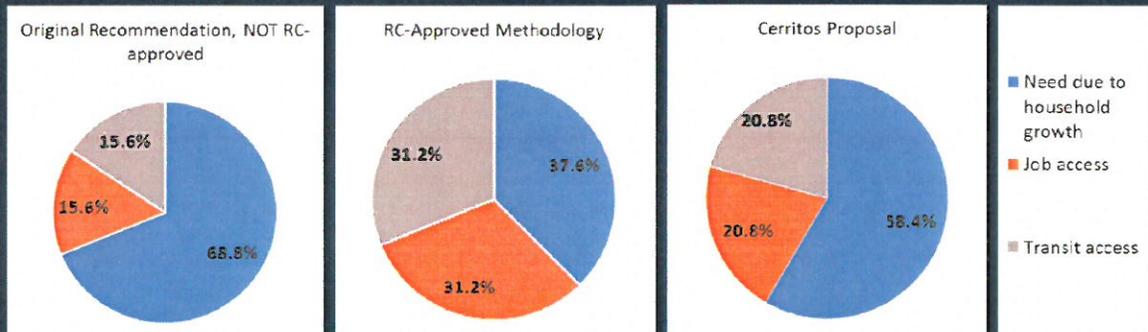


Note: The draft RHNA methodology uses jurisdiction-level Connect SoCal 2020-2030 household growth multiplied by 8.25 to match the duration of the RHNA planning period. At the jurisdictional level, Connect SoCal household growth is identical to local input, and over this time period is perfectly equivalent to the regional RHNA share depicted above.

How much "local input" gets used?



- Every data element is based on input from local jurisdictions – including job and transit access
- Question at hand: how much local input household growth is used in the total methodology?



Review of methodology performance versus statutory objectives



- Comparisons previously presented by SCAG staff
- Comparisons relied upon by HCD in their review

“HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.”

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Review: Statutory Objectives of RHNA

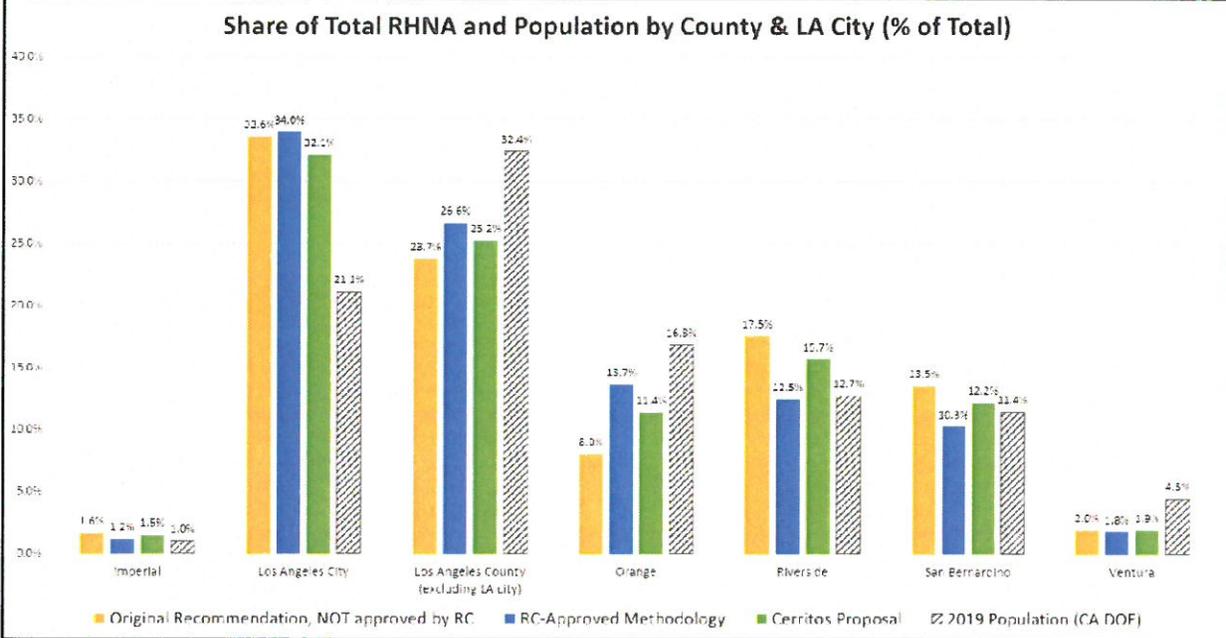


- 1) To increase the housing supply and mix of housing types, tenure and affordability within each region in an equitable manner
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns
- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing (AFFH)

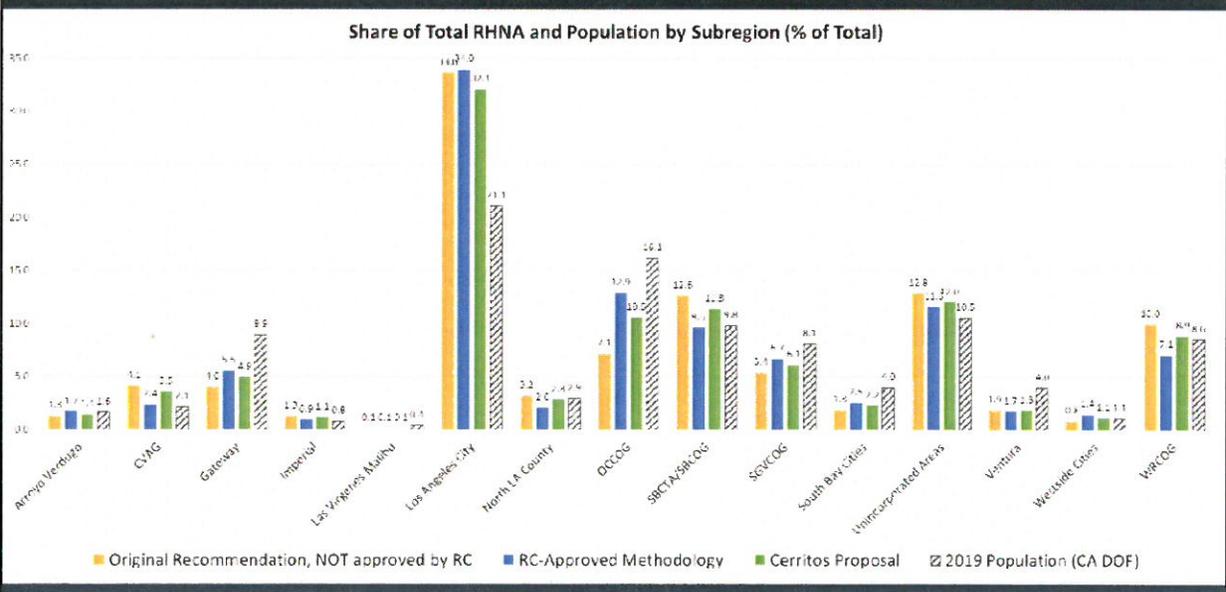


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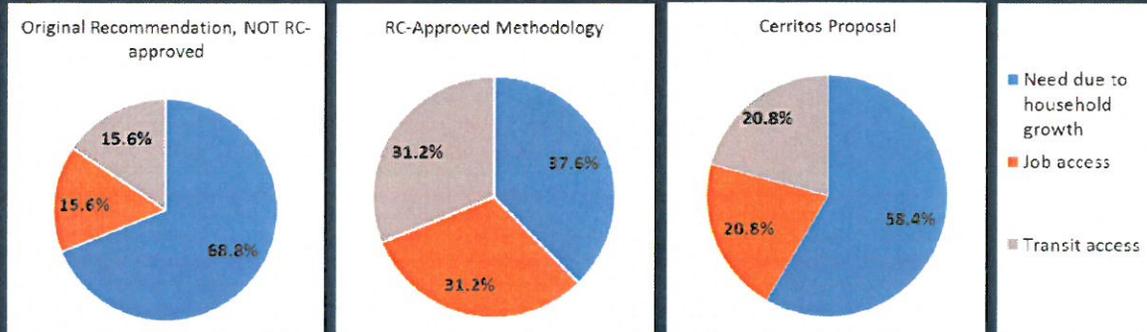
Re: RHNA objective 1, Equitable Geographic Distribution



Re: RHNA objective 1, Equitable Geographic Distribution

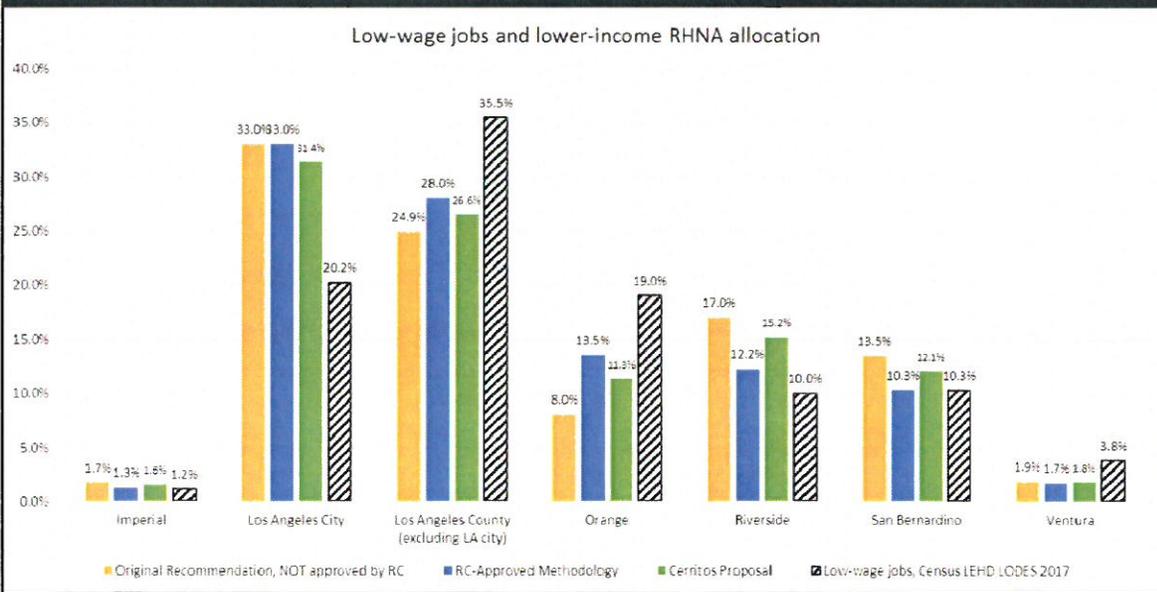


Re: RHNA Objective 2 – Infill and efficient development and RHNA Objective 3 – Improved intraregional jobs-housing relationships



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Re: RHNA Objective 3 – Improved intraregional relationships between low-wage jobs and affordable housing



Conclusions / Next Steps



- Performance indicators show the RC/HCD-approved, staff-recommended methodology *improves* performance on statutory objectives
- Staff-recommended final methodology found to further statutory objectives by HCD:

“HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. ... In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.”

- Cerritos proposal represents “backslide” on all indicators
- Therefore, staff recommends adoption of the draft RHNA methodology as the Final RHNA Methodology by resolution

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Thank you.

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

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January 13, 2020

Kome Ajise
Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Dear Executive Director Ajise:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft Southern California Association of Governments (SCAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described in Government Code Section 65584(d).

In brief, the draft SCAG RHNA methodology begins with the total regional determination provided by the California Department of Housing and Community Development (HCD) and separates it into two methodologies to allocate the full determination: projected need (504,970) and existing need (836,857).

For projected need, the household growth projected in SCAG's Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing need for the region. A future vacancy and replacement need are also calculated and added to the projected need.

The existing need is calculated by assigning 50 percent of regional existing need based on a jurisdiction's share of the region's population within the high-quality transit areas (HQTAs) based on future 2045 HQTAs. The other 50 percent of the regional existing need is based on a jurisdiction's share of the region's estimated jobs in 2045 that can be accessed within a 30-minute driving commute. For high segregation and poverty areas as defined by [HCD/TCAC Opportunity Maps](#),¹ referred to by SCAG as extremely disadvantaged communities (DACs), existing need in excess of the 2020-2045 household growth forecast is reallocated to non-DAC jurisdictions within the same county.

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¹ Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.

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Within both the projected and existing need methodologies the four RHNA income categories (very low, low, moderate, and above moderate) are assigned to each jurisdiction by the use of a 150 percent social equity adjustment, which inversely adjusts based on the current incomes within the jurisdiction. An additional percentage of social equity adjustment is made for jurisdictions that have a high concentration of DACs or Highest Resource areas as defined by the HCD/TCAC Opportunity maps. Overall, the social equity adjustments result in greater shares of lower income RHNA to higher income and higher-resource areas.

HCD has completed its review of the methodology and finds that the draft SCAG RHNA Methodology furthers the five statutory objectives of RHNA.² HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology.

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

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, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

The methodology generally allocates increased shares of lower income RHNA to jurisdictions that have higher housing costs. In support of a mix of affordability, the highest housing cost cities generally receive higher shares of lower income RHNA. Under this methodology the 15 cities with the highest median housing costs all receive greater than 50 percent of the RHNA as lower income RHNA. Beverly Hills with the 18th highest median housing costs receives the 25th highest share of lower income RHNA; Westlake Village with the 14th highest median housing costs receives the 12th highest share of lower income RHNA; Aliso Viejo with the 23rd highest median housing costs receives the 38th highest share of lower income RHNA; and Villa Park with the 10th highest median housing costs receives the 31st highest share of lower income RHNA.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The draft SCAG RHNA methodology furthers the environmental principles of this objective as demonstrated by the transportation and job alignment with the RHNA allocations.

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² While HCD finds that this particular methodology furthers the objectives of RHNA, HCD's determination is subject to change depending on the region or cycle, as housing conditions in those circumstances may differ.

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3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Half of the existing need portion of the draft SCAG RHNA methodology is set based on the jurisdiction's share of the region's estimated jobs in 2045. While future looking job projections are important for housing planning, and housing built in the next decade will likely exist for 50-100 years or more, it is also critical to plan for the needs that exist today. This objective specifically considers the balance of low-wage jobs to housing available to low-wage workers. As part of HCD's analysis as to whether this jobs-housing fit objective was furthered by SCAG's draft methodology, HCD analyzed how the percentage share of the region's lower income RHNA compared to the percentage share of low-wage jobs.

For example, under the draft SCAG RHNA methodology Irvine would receive 1.84 percent of the region's lower income RHNA, and currently has 2.07 percent of the region's low-wage jobs, .23 percent less lower income RHNA than low-wage jobs for the region. Pomona would receive .71 percent of the region's lower income RHNA, and currently has .57 percent of the region's low-wage jobs, .13 percent more lower income RHNA than low-wage jobs for the region. Across all jurisdictions there is generally good alignment between low-wage jobs and lower income RHNA, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower income RHNA for the region and their percentage low-wage jobs for the region.

HCD is aware there has been some opposition to this current methodology from jurisdictions that received lower allocations under prior iterations; however it is worth noting that even if it is by a small amount, many of the jurisdictions that received increases are still receiving lower shares of the region's lower income RHNA compared to their share of the region's low-wage jobs. HCD recommends any changes made in response to appeals should be in the interest of seeking ways to more deeply further objectives without compromising other objectives.

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 American Community Survey.

This objective is furthered directly by the social equity adjustment factor included in the draft SCAG RHNA methodology. Jurisdictions in the SCAG region range from as little as 10.9 percent lower income households to 82.7 percent lower income households. The 20 jurisdictions with the greatest share of lower income households, 67.2-82.7 percent lower income households, would receive an average of 31.6 percent lower income share of their RHNA; compared to the 20 jurisdictions with the lowest share of lower income households, 10.9-25.1 percent lower income households, would receive an average of 59.1 percent lower income share of their RHNA. While the social equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

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5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

HCD applauds the inclusion of the affirmatively furthering fair housing adjustment factor in the methodology. This factor directs more lower income RHNA to higher opportunity areas and reduces allocations in segregated concentrated areas of poverty, as defined in the [HCD/TCAC Opportunity Maps](#), which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. 14 of the top 15 highest shares of lower income RHNA are in regions over 99.95 percent High and Highest Resource areas. These include: Imperial, La Habra Heights, Rolling Hills Estates, Hermosa Beach, La Cañada Flintridge, Palos Verdes Estates, Manhattan Beach, Rolling Hills, Agoura Hills, Rancho Palos Verdes, Westlake Village, San Marino, Eastvale, and Hidden Hills. With the exceptions of the cities of Vernon and Industry, the 31 jurisdictions with the highest share of lower income RHNA are all over 95 percent High and Highest Resource areas.

HCD appreciates the active role of SCAG staff in providing data and input throughout the draft SCAG RHNA methodology development and review period. HCD especially thanks Ping Chang, Kevin Kane, Sarah Jepson, and Ma'Ayn Johnson for their significant efforts and assistance.

HCD looks forward to continuing our partnership with SCAG to assist its member jurisdictions to meet and exceed the planning and production of the region's housing need.

Support opportunities available for the SCAG region this cycle include, but are not limited to:

- SB 2 Planning Technical Assistance (Technical assistance available now through June 2021)
- Regional and Local Early Action Planning grants (25 percent of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.



Megan Kirkeby
Assistant Deputy Director for Fair Housing



RESOLUTION NO. 20-619-2

A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) ADOPTING THE FINAL REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY FOR THE SIXTH HOUSING ELEMENT CYCLE (2021 – 2029)

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS 900 Wilshire Blvd., Ste. 1700 Los Angeles, CA 90017 T: (213) 236-1800 www.scag.ca.gov

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization, for the six county region consisting of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial Counties;

REGIONAL COUNCIL OFFICERS

- President Bill Jahn, Big Bear Lake
First Vice President Rex Richardson, Long Beach
Second Vice President Clint Lorimore, Eastvale
Immediate Past President Alan D. Wapner, San Bernardino County Transportation Authority

WHEREAS, California state housing element law requires that the Southern California Association of Governments (SCAG) adopt a methodology for distributing the existing and projected regional housing need to each of the local jurisdictions within the SCAG region;

WHEREAS, the California Department of Housing and Community Development (HCD) is required to consult with SCAG in determining the existing and projected housing need for the region prior to each housing element cycle;

COMMITTEE CHAIRS

- Executive/Administration Bill Jahn, Big Bear Lake
Community, Economic & Human Development Peggy Huang, Transportation Corridor Agencies
Energy & Environment Linda Parks, Ventura County
Transportation Cheryl Viegas-Walker, El Centro

WHEREAS, on October 15, 2019, HCD provided SCAG with a regional housing need number of 1,341,827 units distributed among four income categories, very-low (26.2%), low (15.4%), moderate (16.7%), and above-moderate (41.7%) for the 6th Housing Element Cycle (2021-2029);

WHEREAS, SCAG conducted four public hearings in August 2019 to formally receive verbal and written comments on the proposed Regional Housing Needs Assessment (RHNA) methodology options, in addition to one public information session with a total of approximately 250 participants. Almost 250 written comments were submitted to SCAG specifically on the proposed methodology and over 35 verbal comments were shared at the four public hearings;

WHEREAS, after considering the public comments received, at its November 7, 2019 meeting, the SCAG Regional Council approved and submitted to HCD the Draft RHNA Methodology for the 6th Housing Element Cycle, for a 60-day review;

WHEREAS, on January 13, 2020, HCD determined that the Draft RHNA methodology furthers the objectives set forth in state law, California Government Code Section 65584(d);

Attachment: Resolution to adopt Final RHNA Methodology and Attachment A (Recommended Final RHNA Methodology)

NOW, THEREFORE, BE IT RESOLVED, that the SCAG Regional Council adopts the Final RHNA Methodology for the Sixth Housing Element Cycle (2021 – 2029) attached hereto as “Attachment A” and incorporated herein by this reference.

PASSED, APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at its regular meeting this 5th day of March, 2020.

William “Bill” Jahn
President, SCAG

Attested by:

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Staff-Recommended FINAL RHNA Allocation Methodology

Attachment A

EXECUTIVE SUMMARY

SCAG is required to develop a final RHNA methodology to distribute existing and projected housing need for the 6th cycle RHNA for each jurisdiction, which will cover the planning period October 2021 through October 2029. Following extensive feedback from stakeholders during the proposed methodology comment period and an extensive policy discussion, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019, as described below, and provide it to the State Department of Housing and Community Development (HCD) for their statutory review. On January 13, 2020, HCD completed its review of the draft methodology and found that it furthers the five statutory objectives of RHNA.

As the draft methodology has been approved by the Regional Council and found to be consistent with state housing law by HCD, no changes are required and staff recommends the draft methodology as the final methodology. The overall framework for this methodology is included in the table below and further described in the rest of this document.

| Projected need | Existing need | Income categories |
|----------------------------|--|---|
| Household growth 2020-2030 | Transit accessibility (HQTA population 2045) | 150% social equity adjustment minimum |
| Future vacancy need | Job accessibility | 0-30% additional adjustment for areas with lowest or highest resource concentration |
| Replacement need | Residual distribution within the county | |

HOUSING CRISIS

There is no question that there is an ongoing housing crisis throughout the State of California. A variety of measures indicate the extent of the crisis including overcrowding and cost-burdened households, but the underlying cause is due to insufficient housing supply despite continuing population growth over recent decades.

As part of the RHNA process SCAG must develop a final RHNA methodology, which will determine each jurisdiction’s draft RHNA allocation as a share of the regional determination of existing and projected housing need provided by the California Department of Housing and Community Development (HCD). There are several requirements outlined by Government Code Section 65584.04, which will be covered in different sections of this packet:

- Allocation methodology, per Government Code 65584.04(a)
- How the allocation methodology furthers the objectives State housing law, per GC 65584.04(f)
- How local planning factors are incorporated into the RHNA methodology, per GC 65584.04(f)
- Furthering the objectives of affirmatively furthering fair housing (AFFH), per GC 65584.04(d)
- Public engagement, per GC 65584.04(d)

Additionally, SCAG has developed a dynamic estimator tool and data appendix that contains a full set of various underlying data and assumptions to support the recommended final methodology. Due to the size of the appendix, a limited number of printed copies are available. SCAG has posted the dynamic estimator tool and full methodology appendix, on its RHNA webpage: www.scag.ca.gov/rhna.

Per State housing law, the RHNA methodology must distribute existing and projected housing need to all jurisdictions. The following section provides the staff-recommended final methodology for distributing projected and existing need to jurisdictions from the RHNA regional determination provided by the California Department of Housing and Community Development (HCD) pursuant to Government Code Section 65584.01.

Guiding Principles for RHNA Methodology

In addition to furthering the five objectives pursuant to Government Code 65585(d), there are several guiding principles that SCAG staff has developed to use as the basis for developing the distribution mechanism for the RHNA methodology. These principles are based on the input and guidance provided by the RHNA Subcommittee during their discussions on RHNA methodology between February 2019 and June 2019.

1. The housing crisis is a result of housing building not keeping up with growth over the last several decades. The RHNA allocation for all jurisdictions is expected to be higher than the 5th RHNA cycle.
2. Each jurisdiction must receive a fair share of their regional housing need. This includes a fair share of planning for enough housing for all income levels, and consideration of factors that indicate areas that have high and low concentration of access to opportunity.
3. It is important to emphasize the linkage to other regional planning principles to develop more efficient land use patterns, reduce greenhouse gas emissions, and improve overall quality of life.

The jurisdictional boundaries used in the recommended RHNA methodology will be based on those as of August 31, 2016. Spheres of influence in unincorporated county areas are considered within unincorporated county boundaries for purposes of RHNA.

Proposed RHNA Allocation Methodology

The proposed RHNA methodology, which was released for public review on August 1, contained three (3) options to distribute HCD's regional determination for existing and projected need for the

SCAG region. HCD provided SCAG a final regional determination of 1,341,827 units for the 6th cycle RHNA on October 15, 2019.¹

The three options were developed based on RHNA Subcommittee feedback on various factors at their meetings between February and June 2019 and feedback from stakeholders. SCAG solicited formal public comment on the three options and any other factors, modifications, or alternative options during the public comment period, which commenced on August 1 and concluded on September 13, 2019.

Four public hearings were conducted to formally receive verbal and written comments on the proposed RHNA methodology, in addition to one public information session with a total participation of approximately 250 people. Almost 250 written comments were submitted to SCAG specifically on the proposed methodology and over 35 verbal comments were shared at four (4) public hearings held in August 2019.

Draft and Final RHNA Allocation Methodology

Based on comments received during the public comment period, staff recommended a combination of the three options in the proposed methodology further enhanced by factors specifically suggested by stakeholders.

On November 7, 2019, SCAG's Regional Council voted to approve the Draft RHNA Methodology. The approved draft methodology includes modifications to the staff-recommended draft methodology for calculating existing housing need to more closely align the methodology with job and transit accessibility factors.

On January 13, 2020, HCD completed their statutory review and found that SCAG's Draft RHNA Methodology furthers the five statutory objectives of RHNA, which allows SCAG to finalize the RHNA methodology and issue draft RHNA allocations to each individual jurisdiction. HCD's comment letter, which can be found at www.scag.ca.gov/rhna, notes:

"HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology."

¹ On September 5, 2019, the SCAG Regional Council voted to object to HCD the regional determination of 1,344,740, per Government Code Section 65584.01, that was provided on August 15, 2019. After review of SCAG's objection letter, HCD provided a final regional determination of 1,341,827 units on October 15, 2019.

Following this finding, staff recommends the draft RHNA methodology as the final RHNA methodology. Since some of the data inputs to the draft RHNA methodology utilized draft Connect SoCal data, the staff-recommended final RHNA methodology will utilize final Connect SoCal data.

The finding of compliance from HCD allows SCAG's Regional Council to adopt the final RHNA methodology and send a draft RHNA allocation to each local jurisdiction. Following a separate appeals phase described in Government Code 65584.05 et seq., RHNA allocations will be finalized in approximately October 2020.

The next section describes the staff-recommended final RHNA methodology mechanism to distribute the 1,341,827 housing units determined by HCD to all SCAG jurisdictions.

Determining Existing Need and Projected Need

The staff-recommended final RHNA methodology starts with the total regional determination provided by HCD and separates existing need from projected need.

Projected need is considered as household growth for jurisdictions between the RHNA projection period between July 1, 2021 and October 1, 2029, in addition to a calculated future vacancy need and replacement need. For projected household growth, SCAG's Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need for the region. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period of July 1, 2021 to October 1, 2029.

For several jurisdictions, SCAG's growth forecast includes projected household growth on tribal land. For these jurisdictions, SCAG's estimate of household growth on tribal land from July 1, 2021 to October 1, 2029 is subtracted from the jurisdictional projected household growth (see note in the accompanying dynamic estimator tool). A vacancy adjustment of 1.5% for owner-occupied units and 5% for renter-occupied units representing healthy-market vacancy will be applied to projected household growth to determine future vacancy need. Next a replacement need is added, which is an estimate of expected replacement need over the RHNA period. **Based on these components, the regional projected need is 504,970 units.**

Existing need is considered the remainder of the regional determination after projected need is subtracted. **Based on this consideration, the regional existing need is 836,857 units.**

Determining a Jurisdiction's RHNA Allocation (Existing and Projected Need)

In determining the existing need and projected need for the region, the methodology applies a three-step process to determine a jurisdiction's RHNA allocation by income category:

1. Determine a jurisdiction's projected housing need
 - a. Assign household growth to jurisdictions based on SCAG's Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast between 2020 and 2030

- b. Calculate a jurisdiction's future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction's owner and renter households
 - c. Assign a replacement need to jurisdictions based on each jurisdiction's share of regional net replacement need based on information collected from the replacement need survey submitted by local jurisdictions
2. Determine a jurisdiction's existing housing need
 - a. Assign 50 percent of regional existing need based on a jurisdiction's share of region's population within the high quality transit areas (HQTAs) based on future 2045 HQTAs
 - b. Assign 50 percent of regional existing need based on a jurisdiction's share of the region's jobs that can be accessed within a 30-minute driving commute
 - c. For extremely disadvantaged communities (hereafter "DACs," see definition below), identify residual existing need, which is defined herein as total housing need in excess of household growth between 2020 and 2045². DACs are jurisdictions with more than half of the population living in high segregation and poverty or low resource areas as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores further described in the document.
 - d. Reallocate residual existing need by county to non-DAC jurisdictions within the same county based on the formula in (a) and (b) above, i.e. 50% transit accessibility and 50% job accessibility.
3. Determine a jurisdiction's total housing need
 - a. Add a jurisdiction's projected housing need from (1) above to its existing housing need from (2) above to determine its total housing need.
4. Determine four RHNA income categories (very low, low, moderate, and above moderate)
 - a. Use a minimum 150% social equity adjustment
 - b. Add an additional percentage of social equity adjustment to jurisdictions that have a high concentration of very low or very high resource areas using the California Tax Credit Allocation Committee (TCAC)'s index scoring
 - i. Add a 10% social equity adjustment to areas that are designated as 70-80% very high or very low resource area
 - ii. Add a 20% social equity adjustment to areas that are designated as 81-90% very high or very low resource area
 - iii. Add a 30% social equity adjustment to areas that are designated as 91-100% very high or very low resource area

² Since HCD's regional determination of 1,341,827 exceeds SCAG's 2020-2045 household growth forecast of 1,297,000 by 3.46 percent, for the purposes of existing need allocation, exceeding "local input" or more accurately, Connect SoCal Growth Forecast, household growth shall mean exceeding 1.0368 times household growth.

| Methodology Component | Assigned units |
|-------------------------------------|----------------|
| Projected need: Household growth | 466,958 |
| Projected need: Future vacancy need | 14,467 |
| Projected need: Replacement need | 23,545 |
| Projected need subtotal | 504,970 |

| | Percentage of Existing Need | Assigned units |
|--------------------------------------|-----------------------------|----------------|
| Existing need: Transit accessibility | 50% | 418,429 |
| Existing need: Job accessibility | 50% | 418,428 |
| Existing need subtotal | | 836,857 |

| | |
|---------------------|-----------|
| Total regional need | 1,341,827 |
|---------------------|-----------|

Step 1: Determine Projected Housing Need

The first step of the RHNA methodology is to determine a jurisdiction’s projected need. From the regional determination, projected need is considered to be regional household growth, regional future vacancy need, and regional replacement need.



To determine a jurisdiction’s projected need, SCAG staff recommends a three-step process:

- a. Determine the jurisdiction’s regional projected household growth based on local input
- b. Determine future vacancy need based on a jurisdiction’s existing composition of owner and renter households and apply a vacancy rate on projected household growth based on the following:
 - a. Apply a 1.5% vacancy need for owner households
 - b. Apply a 5.0% vacancy need for renter households
- c. Determine a jurisdiction’s net replacement need based on replacement need survey results

Step 1a: Projected Household Growth

SCAG's Connect SoCal regional growth forecast reflects recent and past trends, key demographic and economic assumptions, and local, regional, state, and national policy. SCAG's regional growth forecasting process also emphasizes the participation of local jurisdictions and other stakeholders. The growth forecast process kicked off on May 30, 2017 with a panel of experts meeting wherein fifteen academic scholars and leading practitioners in demographics and economics were invited to review key input assumptions for the growth forecast including expected job growth, labor force participation, birth rates, immigration and household formation rates. SCAG staff then incorporated the recommendations of the panel of experts into a preliminary range of population, household, and employment growth figures for 2016, 2020, 2030, 2035, and 2045 for the region and six counties individually.

SCAG further projects jurisdiction-level and sub-jurisdiction-level employment, population, and households using several major data sources, including:

- California Department of Finance (DOF) population and household estimates;
- California Employment Development Department (EDD) jobs report by industry;
- 2015 existing land use and General Plans from local jurisdictions;
- 2010 Census and the latest ACS data (2013-2017 5-year samples);
- County assessor parcel databases;
- 2011 and 2015 Business Installment data from InfoGroup; and
- SCAG's 2016 RTP/SCS growth forecast.

On October 31, 2017, the preliminary small area (i.e. jurisdiction and sub-jurisdiction) growth forecasts were released to local jurisdictions for their comments and input. This kicked off SCAG's *Bottom-Up Local Input and Envisioning Process* which provided each local jurisdiction with their preliminary growth forecast information as well as several other data elements both produced by SCAG and other agencies which are related to the development of Connect SoCal. Data map books were generated and provided electronically and in hard copy format and included detailed parcel-level land use data, information on resource areas, farmland, transportation, geographical boundaries and the draft growth forecast. Complete information on the Data map books and the Bottom-Up Local Input and Envisioning Process can be found at <http://scagrtpscs.net/Pages/DataMapBooks.aspx>. Over the next eight months, SCAG staff conducted one-on-one meetings with all 197 local jurisdictions to explain methods and assumptions behind the jurisdiction and sub-jurisdiction growth forecast as well as to provide an opportunity to review, edit, and approve SCAG's preliminary forecast for population, employment, and households for 2016, 2020, 2030, 2035, and 2045.

Between October 2018 and February 2019, SCAG reviewed local input on the growth forecast and other data map book elements. The local input growth forecast was evaluated at the county and regional level for the base year of 2016 and the horizon year of 2045 and was found to be technically sound. Specifically, as it relates to SCAG's local input household forecast:

- The forecast generates a 2045 regional unemployment rate of 4.7 percent which is reasonable based on past trends and ensured that the forecast is balanced, i.e. there are not too many jobs for the number of anticipated workers
- The forecast generates a 2045 population-to-household ratio of 2.9 which is consistent with the preliminary forecast and reflects expert-anticipated decreases in this ratio, ensuring that there are not too many people for the anticipated number of households region-wide
- From 2020-2045, the forecast anticipates household growth of 21 percent and population growth of 15 percent, indicating an alleviation of the region's current housing shortage over this future period.

SCAG's growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need. Because the 6th cycle RHNA projection period covers July 1, 2021 through October 15, 2029, it is necessary to adjust reported household growth between 2020 and 2030 and adjust it to an 8.25 year projection period. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period (July 1, 2021 to October 15, 2029).

Step 1b: Future Vacancy Need

The purpose of a future vacancy need is to ensure that there are enough vacant units to support a healthy housing market that can genuinely accommodate projected household growth. An undersupply of vacant units can prevent new households from forming or moving into a jurisdiction. Formulaically, future vacancy need is a percentage applied to the jurisdiction's household growth by tenure type (owner and renter households). While individual jurisdictions may experience different vacancy rates at different points in time, future vacancy need is independent of existing conditions and instead is a minimum need to support household growth.

To calculate a jurisdiction's future vacancy need, its proportion of owner-occupied units and renter-occupied units are determined using American Community Survey (ACS) 2013-2017 data—the most recent available at the time of the draft methodology's development. The percentages are applied to the jurisdiction's projected household growth from the previous step, which results in the number of projected households that are predicted to be owners and those that are predicted to be renters.

Next, two different vacancy rates are applied based on the regional determination provided by HCD. The recommended methodology uses 1.5 percent for owner-occupied units and a rate of 5 percent for renter-occupied units. The difference is due to the higher rates of turnover generally reported by renter units in comparison to owner-occupied units. The vacancy rates are applied to their respective tenure category to determine how many future vacant units are needed by tenure and then added together to get the total future vacancy need.

Step 1c: Replacement Need

Residential units are demolished for a variety of reasons including natural disasters, fire, or desire to construct entirely new residences. Each time a unit is demolished, a household is displaced and disrupts the jurisdiction's pattern of projected household growth. The household may choose to live in a vacant unit or leave the jurisdiction, of which both scenarios result in negative household growth

through the loss of a vacant unit for a new household or subtracting from the jurisdictions number of households.

For these reasons, replacement need is a required component of the regional determination provided by HCD. The methodology's replacement need will be calculated using a jurisdiction's net replacement need based on data submitted for the replacement need survey, which was conducted between March and April 2019.

Each jurisdiction's data on historical demolitions between reporting years 2008 and 2018, which was collected from the California Department of Finance (DOF), was tabulated and provided to jurisdictions in the replacement need survey. Jurisdictions were asked to provide data on units that replaced the reported demolished units. A net replacement need was determined based on this information for each jurisdiction.

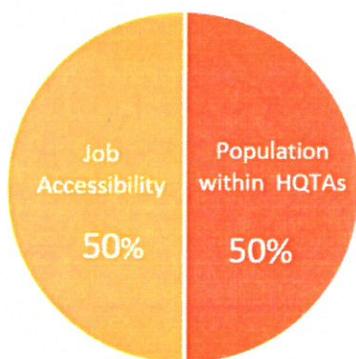
After determining each of the projected housing need components, they are combined to determine a jurisdiction's projected housing need.

Step 2: Determine Existing Housing Need

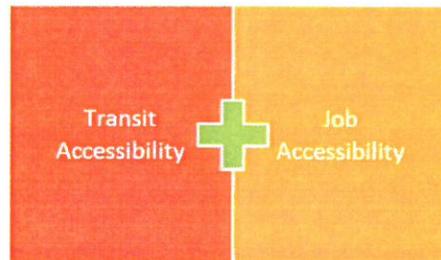
After determining a jurisdiction's projected need, the next step is to determine a jurisdiction's existing need. Following the above discussion and based on HCD's determination of total regional housing need, existing need is defined as the total need minus the projected need—approximately 62 percent of the entire regional determination. SCAG's Regional Council determined that the regional existing need be split into two parts:

- Fifty (50) percent on population near transit (HQTAs), or 31 percent of total need
- Fifty (50) percent on job accessibility, or 31 percent of total need

Regional Existing Need



Jurisdiction Existing Need



Step 2a: Share of Regional HQTA Population

The next step involves the consideration of proximity to transit to distribute fifty (50) percent of the region's existing housing need, in an effort to better align transportation and housing planning.

For several years, SCAG has developed a measure called High Quality Transit Areas (HQTAs) which are areas within a half-mile of transit stations and corridors with at least a fifteen (15) minute headway during peak hours for bus service. HQTAs are based on state statutory definitions of high-quality transit corridors (HQTCs) and major transit stops. For the development of Connect SoCal, freeway-running HQTCs have been excluded from HQTAs to better reflect the level of service they provide to nearby areas.

Planned HQTCs and major transit stops for future years are improvements that are expected to be implemented by transit agencies by the Connect SoCal horizon year of 2045. SCAG updates its inventory with the quadrennial adoption of each RTP/SCS; however, planning and environmental impact studies may be completed by transit agencies more frequently. Therefore, HQTAs in future years reflect the best information currently available to SCAG regarding the location of future high-quality transit service accessibility. More detailed information on HQTA-related definitions is available in the data appendix.

50 percent of the regional existing housing need will be distributed based on a jurisdiction's share of regional residential population within an HQTA, based on the HQTA boundaries used in the final Connect SoCal Plan anticipated to be adopted by SCAG in April 2020. Not all jurisdictions have an HQTA within their jurisdictional boundaries and thus may not receive existing need based on this factor.

Step 2b: Job Accessibility

The concept behind job accessibility is to further the statewide housing objective and SCAG's Connect SoCal objective of improving the relationship between jobs and housing. While none of the three options presented in the proposed RHNA methodology included a factor directly based on job accessibility, an overwhelming number of public comments expressed support for the methodology to include this specific component.

The methodology assigns fifty (50) percent of regional existing need based on job accessibility. Job accessibility is based on the share of the region's jobs accessible by a thirty (30) minute commute by car in 2045. Importantly, the RHNA methodology's job access factor is *not* based on the number of jobs within a jurisdiction from SCAG's Connect SoCal Plan or any other data source. Rather, it is a measure based on how many jobs can be *accessed* from that jurisdiction within a 30-minute commute, which includes jobs in other jurisdictions. Since over 80 percent of SCAG region workers live and work in different jurisdictions, genuinely improving the relationship between jobs and housing necessitates an approach based on job access rather than the number of jobs in a jurisdiction.

These job accessibility data are derived at the transportation analysis zone (TAZ) level from travel demand modelling output from SCAG's final Connect SoCal Plan. SCAG realizes that in many jurisdictions, especially larger ones, job access may not be uniform in all parts of the city or county. However, since the RHNA process requires allocating housing need at the jurisdictional-level, staff reviewed several ways to measure the typical commuter's experience in each jurisdiction. Ultimately, the share of the region's jobs that could be accessed by a jurisdiction's *median* TAZ was found to be the best available measure of job accessibility for that jurisdiction. Based on this measure, in central parts of the region, residents of some jurisdictions can access as much as 23 percent of the region's

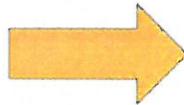
jobs in a 30 minute car commute, while the average across all the region’s jurisdictions was 10.5 percent.

This measure is multiplied by a jurisdiction’s share of total population in order to allocate housing unit need to jurisdictions. This important step ensures that the potential beneficiaries of greater accessibility (i.e., the population in a jurisdiction with good job access) are captured in the methodology. Based on this approach, jurisdictions with limited accessibility to jobs will receive a smaller RHNA allocation based on this component.

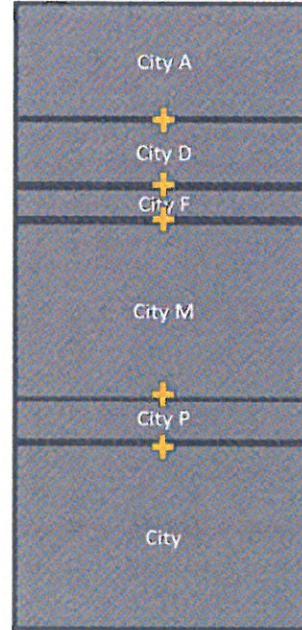
Step 2c: “Residual” Adjustment Factor for Existing Need

In many jurisdictions defined as “disadvantaged communities (DACs)”, the calculated projected and existing need is higher than its household growth between 2020 and 2045, as determined by the SCAG Growth Forecast used in the final Connect SoCal regional plan. Those DAC jurisdictions that have a need as determined by the RHNA methodology as higher than its 2020 to 2045 household growth³ will be considered as generating “residual” existing need. Residual need will be subtracted from jurisdictional need in these cases so that the maximum a DAC jurisdiction will receive for existing need is equivalent to its 2020 to 2045 household growth. Not all DAC jurisdictions will have a residual existing need.

**Extremely Disadvantaged Communities:
City A calculated projected +existing need**



County “residual” existing need



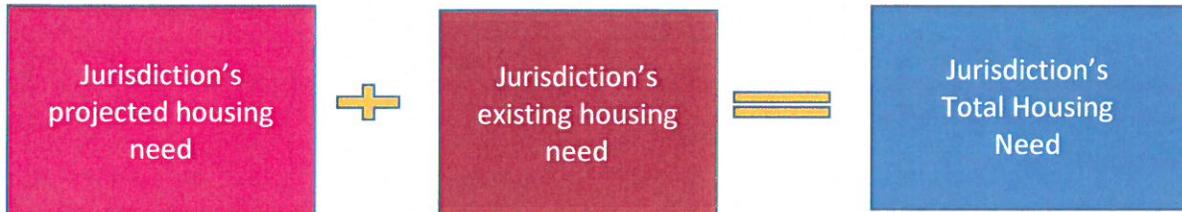
³ Since HCD’s regional determination of 1,341,827 exceeds SCAG’s 2020-2045 household growth forecast of 1,297,000 by 3.68 percent, for the purposes of existing need allocation, exceeding “local input” or “Connect SoCal” household growth shall mean exceeding 1.0368 times household growth.

A county total of residual existing need will be calculated and then redistributed with the same county to non-DAC jurisdictions. The redistribution will be assigned to jurisdictions based on transit accessibility (50%) and job accessibility (50%), and will exclude DAC jurisdictions which have over 50% of their populations in very low resource areas using California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Indices.

Very low resource areas are areas that have least access to opportunity as measured by indicators such as poverty levels, low wage job proximity, math and reading proficiency, and pollution levels. This mechanism will help to further AFFH objectives since residual existing RHNA need, which includes additional affordable units, will be assigned to areas that are not identified as those with the lowest resources, which will increase access to opportunity. A full discussion on the TCAC opportunity indicators is provided in the following section on social equity adjustment. Data relating to the TCAC opportunity indicator categories for each jurisdiction can be found in the RHNA methodology data appendix and in the accompanying RHNA allocation estimator tool on the RHNA webpage: www.scag.ca.gov/rhna.

Step 3: Determining Total Housing Need

After determining a jurisdiction's projected housing need from step 1 and its existing housing need from step 2, the sum of the projected and existing need becomes a jurisdiction's total housing need.



Step 4: Determining Four Income Categories through Social Equity Adjustment

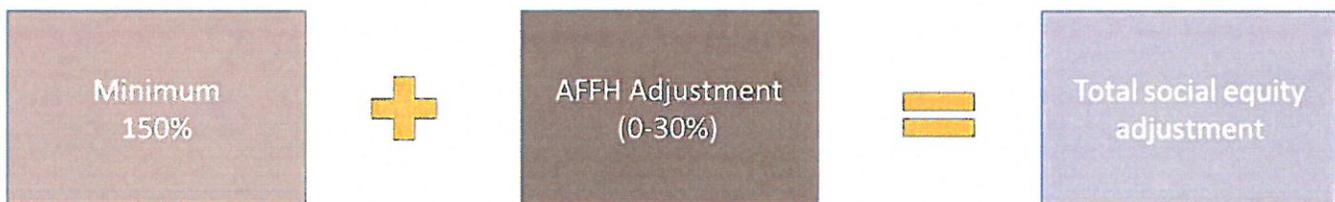
After determining a jurisdiction's total RHNA allocation, the next step is to assign the total into four RHNA income categories. The four RHNA income categories are:

- Very low (50 percent or less of the county median income);
- Low (50-80 percent);
- Moderate (80 to 120 percent); and
- Above moderate (120 percent and above)

The fourth RHNA objective specifically requires that the RHNA methodology allocate a lower proportion of housing need in jurisdictions that already have a disproportionately high concentration of those households in comparison to the county distribution. Additionally, the fifth objective, affirmatively furthering fair housing (AFFH), requires that the RHNA methodology further the objectives of addressing significant disparities in housing needs and access to opportunity in order to overcome patterns of segregation.

To further these two objectives, the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. This determines the distribution of four income categories for each jurisdiction.

Social equity adjustment



A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. First, the percentage of each jurisdiction’s distribution of four income categories is determined using the county median income as a benchmark. For example, in Los Angeles County, a household earning less than \$30,552 annually, or 50 percent of the county median income, would be considered a very low income household. A household in Los Angeles County earning more than \$73,218 annually, or 120 percent of the county median income, would be counted in the above moderate category. The number of households in each category is summed and then a percentage of each category is then calculated.

For reference, below is the median household income by county.

- Imperial County: \$44,779
- Los Angeles County: \$61,015
- Orange County: \$81,851
- Riverside County: \$60,807
- San Bernardino County: \$57,156
- Ventura County: \$81,972
- SCAG region: \$64,114

Source: American Community Survey (ACS) 2013-2017 5-year estimates

Once a jurisdiction’s household income distribution by category is determined, the percentage is compared to the county’s percentage of existing household income distribution. For example, if a jurisdiction has an existing distribution of 30 percent of very low income households while the county is 25 percent, the jurisdiction is considered as having an overconcentration of very low income households compared to the county. A social equity adjustment ensures that the jurisdiction will be assigned a smaller percentage of very low income households for its RHNA allocation than both what it and the county currently experience.

If the jurisdiction is assigned a social equity adjustment of 150 percent, the formula to calculate its very low income percentage is:

| Household Income Level | Formula to Calculate City A Social Equity Adjustment of 150% |
|------------------------|--|
| Very Low Income | $30\% - [(30\% - 25\%) \times 1.5] = 22.5\%$ |

In this example, 22.5 percent of the jurisdiction’s total RHNA allocation would be assigned to the very low income category. This adjustment is lower than both its existing household income distribution (30 percent) and the existing county distribution (25 percent).

The inverse occurs in higher income categories. Assuming 20 percent of a jurisdiction’s households are above moderate income while 25 percent of the county’s households are above moderate income, the jurisdiction will be assigned a distribution of 27.5 percent for above moderate income need.

| Household Income Level | Formula to Calculate City A Social Equity Adjustment of 150% |
|------------------------|--|
| Above moderate income | $20\% - [(20\% - 25\%) \times 1.5] = 27.5\%$ |

If the adjustment was 100 percent a jurisdiction’s distribution would be exactly the same as the County’s distribution. Conceptually a 150 percent adjustment means that the City meets the County distribution and goes beyond that threshold by 50 percent, resulting in a higher or lower distribution than the County depending on what existing conditions are in the City. The higher the adjustment, the more noticeable the difference between the jurisdiction’s existing household income distribution and its revised distribution.

The RHNA methodology recommends a minimum of 150 percent social equity adjustment with an additional 10, 20, or 30 percent added depending on whether the jurisdiction is considered a very low or very high resource area based on its Opportunity Index score.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of “Opportunity Indices” to help states and localities identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”⁴

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. The indices are based on measures of economic, environmental, and educational opportunities within communities. Regional patterns of segregation are also identified based on this tool. Below is a summary table of the 11 indices sorted by type:

| Economic | Environment | Education |
|------------------------|---|------------------------------|
| Poverty | CalEnviroScreen 3.0 indicators <ul style="list-style-type: none"> • <i>Ozone</i> • <i>PM2.5</i> • <i>Diesel PM</i> • <i>Drinking water contaminants</i> • <i>Pesticides</i> • <i>Toxic releases from facilities</i> • <i>Traffic density</i> • <i>Cleanup sites</i> • <i>Groundwater threats</i> • <i>Hazardous waste</i> • <i>Impaired water bodies</i> • <i>Solid waste sites</i> | Math proficiency |
| Adult education | | Reading proficiency |
| Employment | | High school graduation rates |
| Low-wage job proximity | | Student poverty rate |
| Median home value | | |

⁴ California Fair Housing Taskforce Revised opportunity Mapping Technology, Updated November 27, 2018: <https://www.treasurer.ca.gov/ctcac/opportunity/final-opportunity-mapping-methodology.pdf>

Based on its respective access to opportunity, each census tract is given a score that designates it under one of the following categories:

- High segregation & poverty
- Low resource
- Moderate resource
- High resource
- Highest resource

Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction’s population in each of these five categories. For example:

| | Lowest Resource | | | | Very High Resource |
|---------------------------------|----------------------------|--------------|-------------------|---------------|--------------------|
| Opportunity Indicator Category | High segregation & poverty | Low resource | Moderate resource | High resource | Highest resource |
| City A Percentage of population | 10% | 10% | 30% | 30% | 20% |
| City B Percentage of population | 90% | 5% | 5% | 0% | 0% |
| City C Percentage of population | 0% | 0% | 10% | 15% | 75% |

The recommended methodology determines high resource concentration using the “very high” resource area score. The recommended methodology determines “lowest” resource areas by combining the two lowest measures. In the above table, City B would be considered to have a much higher concentration of lower resource areas than City A. City C would be considered to have a much higher concentration of highest resource areas.⁵

- High segregation & Poverty + Low Resource = Lowest Resource
- Highest Resource

Jurisdictions that are identified as having between 70 and 100 percent of the population within a lowest or very high resource area are assigned an additional 10 and 30 percent social equity adjustment:

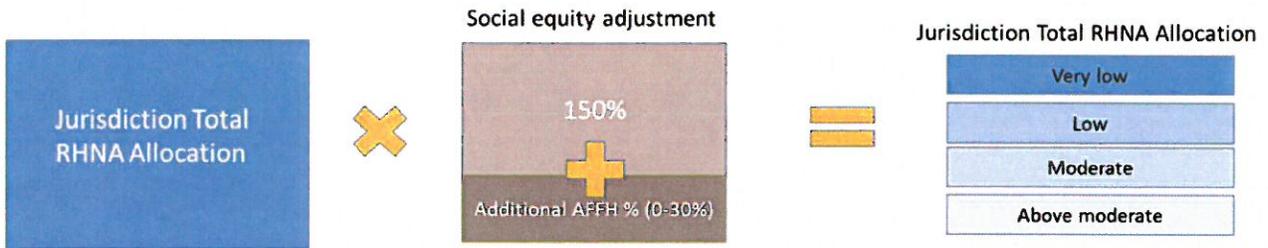
⁵ As a cross-reference, if City B has both a high job and transit accessibility it would be exempt from the redistribution of residual existing need from the RHNA methodology’s Step 2d because more than 50 percent of its population is within a very low resource area. On the other hand City A and City C, if they have a high job and transit access, would not be exempt from receiving regional residual need because they have only 20 percent and 0 percent of their respective population within a very low resource area.

| Concentration of population within very low or very high resource area | Additional social equity adjustment |
|--|-------------------------------------|
| 70-80% | +10% |
| 80-90% | +20% |
| 90-100% | +30% |

In the example table, City B would receive an additional social equity adjustment of 30% because 95% of its population is within a lowest resource area (sum of high segregation & poverty and low resource measures). City C would receive an additional social equity adjustment of 10% because 75% of its population is within a very high resource area. City A would not receive a further adjustment because it does not have a high enough concentration of population within either the lowest or very high resource categories.

Assigning a higher social equity adjustment based on Opportunity Indices will result in a higher percentage of affordable housing units to areas that have higher resources. Concurrently, it will assign a lower percentage of affordable housing in areas where they is already an overconcentration. Because Opportunity Indices consider factors such as access to lower wage jobs, poverty rates, and school proficiency, the social equity adjustment in the RHNA methodology will result in factors beyond simply household income distribution. This additional adjustment will help to adjust the disparity in access to fair housing across the region, furthering the AFFH objective required in State housing law.

Once the social equity adjustment is determined, it is used to assign need to the four income categories.



Final Adjustments

On a regional level the final RHNA allocation plan must be the same as the regional determination, by income category, provided by HCD. The final RHNA methodology will result in slight differences, among income categories, since income categories are required to use county distributions as benchmarks and the HCD determination does not include county-level benchmarks. For this reason, after the initial income categories are determined for jurisdictions, SCAG will apply a normalization adjustment to the RHNA allocation to ensure that the regional total by income category is maintained.

Additionally, in the event that a jurisdiction receives an allocation of zero (0) units under the RHNA methodology a minimum RHNA allocation of eight (8) units would be assigned. Government Code Section 65584.04(m)(2) requires that the final RHNA allocation plan ensure that each jurisdiction receive an allocation of units for low- and very low income households. Under these circumstances, SCAG will assign those jurisdictions a minimum of four (4) units in the very low income category and four (4) units in the low income category for a draft RHNA allocation of eight (8) units.

Meeting the Objectives of RHNA

Government Code Section 65584.04(a) requires that the RHNA methodology furthers the five objectives of the Regional Housing Needs Assessment:

- (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, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (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 American Community Survey.
- (5) Affirmatively furthering fair housing.
 - (e) For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

On January 13, 2020, HCD completed its review of SCAG's draft RHNA methodology and found that it furthers the five statutory objectives of RHNA.

Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the RHNA methodology. This survey, also known as the “Local Planning Factor” survey, is a specific requirement for the RHNA methodology process and is separate from the local review process of the Growth Forecast used as the basis for determining future growth in the Connect SoCal plan.

The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and nine (109) jurisdictions, or approximately 55%, submitted a response to the local planning factor survey. To facilitate the conversation about local planning factors, between October 2017 and October 2018 SCAG included these factors as part of the local input survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local planning factor survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of local planning factor surveys can be downloaded at www.scag.ca.gov/rhna.

SCAG staff reviewed each of the submitted surveys to analyze planning factors opportunities and constraints across the region. The collected information was used to ensure that the methodology will equitably distribute housing need and that underlying challenges as a region are collectively addressed.

(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate, based on readily available data, of the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate, based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

The RHNA methodology directly considers job accessibility and determines a portion of housing need for each jurisdiction based on this factor. Using transportation analysis zones as a basis, the percentage of jobs accessible within a 30 minute drive for a jurisdiction’s population is determined and then weighted based on the jurisdiction’s population size to determine individual shares of regional jobs accessible. Based on a review of other potential mechanisms to factor in jobs into the RHNA methodology, SCAG staff has determined that this mechanism most closely aligns with the goals of State housing law.

A supplemental analysis of the impact of the draft RHNA methodology’s impact on jobs-housing relationships and low-wage jobs-housing relationships was provided to the Regional Council on February 5, 2020.

- (2) *The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:*
- (A) *Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*
 - (B) *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. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.*
 - (C) *Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.*
 - (D) *County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.*

Consideration of the above planning factors have been incorporated into the Growth Forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data, open space, agricultural land and resource areas, and forecast surveys distributed to local jurisdictions. The bottom-up Local Input and Envisioning Process, which is used as the basis for both RHNA and SCAG's Connect SoCal (Regional Transportation Plan/Sustainable Communities Strategy) started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All local jurisdictions were invited to provide SCAG their respective growth perspective and input. The RHNA methodology directly incorporates local input on projected household growth, which should be a direct reflection of local planning factors such as lack of water or sewer capacity, FEMA-designated flood sites, and open space and agricultural land protection.

Prior RHNA cycles did not promote direct linkage to transit proximity and the methodology encourages more efficient land use patterns by utilizing existing as well as future planned transportation infrastructure and preserves areas designated as open space and agricultural

lands. In particular the inclusion of transit proximity places an increased emphasis on infill opportunities and areas that are more likely to support higher residential densities.

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

As indicated above, the Growth Forecast used as the basis for the Connect SoCal Plan is also used as the basis for projected household growth in the RHNA methodology. The weighting of a jurisdiction's population share within an HQTAs directly maximizes the use of public transportation and existing transportation infrastructure.

- (4) *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.*

This planning factor has been identified through the local input process and local planning factor survey collection as affecting growth within Ventura County. The urban growth boundary, known as Save Our Agricultural Resources (SOAR), is an agreement between the County of Ventura and its incorporated cities to direct growth toward incorporated areas, and was recently extended to 2050. Based on the input collected, SCAG staff has concluded that this factor is already reflected in the RHNA methodology since it was considered and incorporated into the local input submitted by jurisdictions.

- (5) *The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583 that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

The conversion of low income units into non-low income units is not explicitly addressed through the distribution of existing and projected housing need. Staff has provided statistics in the RHNA methodology appendix 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.

Local planning factor survey responses indicate that the impact of this factor is not regionally uniform. Many jurisdictions that replied some units are at-risk for losing their affordability status in the near future have indicated that they are currently reviewing and developing local resources to address the potential loss. Based on this, SCAG staff has determined that at-risk units are best addressed through providing data on these units as part of the RHNA methodology and giving local jurisdictions the discretion to address this factor and adequately plan for any at-risk unit loss in preparing their housing elements.

(6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

An evaluation of survey responses reveals that cost-burdened households, or those who pay at least 30 percent of their household income on housing costs, is a prevalent problem throughout the region. The RHNA methodology also includes in its appendix data from the ACS 2013-2017 on cost-burdened statistics for households who pay more than 30 percent of their income on housing by owner and renter, and for renter households who pay 50 percent or more of their income on housing. The general trend is seen in both high and low income communities, suggesting that in most of the SCAG region high housing costs are a problem for all income levels.

Nonetheless a large number of jurisdictions indicated in the survey that overpaying for housing costs disproportionately impacts lower income households in comparison to higher income households. This issue is exacerbated in areas where there is not enough affordable housing available, particularly in higher income areas. For this reason, the RHNA methodology incorporates not only a 150 percent social equity adjustment, but also uses the TCAC Opportunity Indices to distribute the RHNA allocation into the four income categories in areas identified as being the highest resource areas of the region. The Opportunity Indices include a proximity to jobs indicator, particularly for low-wage jobs, which identifies areas with a high geographical mismatch between low wage jobs and affordable housing. Increasing affordable housing supply in these areas can help alleviate cost-burden experienced by local lower income households because more affordable options will be available.

The reason for using social equity adjustment and opportunity indices to address cost-burden households rather than assigning total need is because it is impossible to determine through the methodology how and why the cost-burden is occurring in a particular jurisdiction. Cost-burden is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experiences cost-burden because other jurisdictions restrict residential permitting. Or, a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households and especially on lower income households due to high rents from high land costs. An analysis of existing need indicators by jurisdiction, which is part of the RHNA methodology data appendix, does not reveal a single strong trend to base a distribution methodology for cost-burden and thus the RHNA methodology distributes this existing need indicator regionally using social equity adjustment and Opportunity Indices rather than to where the indicators exist.

(7) The rate of overcrowding.

An evaluation of survey responses indicates that there is a variety of trends in overcrowding throughout the region. Overcrowding is defined as more than 1.01 persons per room (not bedroom) in a housing unit. Some jurisdictions have responded that overcrowding is a severe issue, particularly for lower income and/or renter households, while others have

responded that overcrowding is not an issue at all. At the regional determination level HCD applied an overcrowding component, which is a new requirement for the 6th RHNA cycle. Because

Similar to cost-burden, overcrowding is caused by an accumulated housing supply deficit and is considered an indicator of existing housing need. The reason for not assigning need directly based on this indicator is because it is impossible to determine through the methodology how and why the overcrowding is occurring in a particular jurisdiction. A jurisdiction that has an overcrowding rate higher than the regional average might be issuing more residential permits than the regional average while the surrounding jurisdictions might not have overcrowding issues but issue fewer permits than the regional average. An analysis of existing need indicators by jurisdiction, which is part of the RHNA methodology data appendix, does not reveal a single strong trend to base a distribution methodology for overcrowding and thus the methodology distributes this existing need indicator regionally rather than to where the indicators exist.

While not specifically surveyed, several jurisdictions have indicated that density has affected their jurisdictions and have requested that the methodology should consider this as a factor. While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density particularly for lower income jurisdictions. In housing elements, jurisdictions most demonstrate that a site is affordable for lower income households by applying a “default density”, defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household.

However there is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than existing conditions indirectly reduces future density since the jurisdiction can zone at lower densities if it so chooses. While this result does not apply to higher income jurisdictions, directing growth toward less dense areas for the explicit purpose of reducing density is in direct contradiction to the objectives of state housing law, especially for promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development pattern.

(8)The housing needs of farmworkers.

The RHNA methodology appendix provides data on agricultural jobs by jurisdiction as well as workers by place of residence. The survey responses indicate that most jurisdictions do not have agricultural land or only have small agricultural operations that do not necessarily require designated farmworker housing. For the geographically concentrated areas that do have farmworker housing, responses indicate that many jurisdictions already permit or are working to allow farmworker housing by-right in the same manner as other agricultural uses are allowed. Jurisdictions that are affected by the housing needs of farmworkers can be assumed to have considered this local factor when submitting feedback on SCAG’s Growth

Forecast. A number of jurisdictions reiterated their approach in the local planning factor survey response.

Similar to at-risk units, the RHNA methodology does not include a distribution mechanism to distribute farmworker housing. However, SCAG has provided data in its RHNA methodology appendix related to this factor and encourages local jurisdictions to adequately plan for this need in their housing elements.

(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.

SCAG staff has prepared a map outlining the location of four-year private and public universities in the SCAG region along with enrollment numbers from the California School Campus Database (2018). Based on an evaluation of survey responses that indicated a presence of a university within their boundaries, SCAG staff concludes that most housing needs related to university enrollment are addressed and met by dormitories provided by the institution both on- and off-campus. No jurisdiction expressed concern in the surveys about student housing needs due to the presence of a university within their jurisdiction.

However, some jurisdictions have indicated outside of the survey that off-campus student housing is an important issue within their jurisdictions and are in dialogue with HCD to determine how this type of housing can be integrated into their local housing elements. Because this circumstance applies to only a handful of jurisdictions, it is recommended that housing needs generated by a public or private university be addressed in the jurisdiction's housing element if it is applicable.

(10) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

Replacement need, defined as units that have been demolished but not yet replaced, are included as a component of projected housing need in the RHNA methodology. To determine this number, HCD reviewed historical demolition permit data between 2008 and 2017 (reporting years 2009 and 2018) as reported by the California Department of Finance (DOF), and assigned SCAG a regional replacement need of 0.5% of projected and existing need, or 34,010 units.

There have been several states of emergency declared for fires in the SCAG region that have destroyed residential units, as indicated by several jurisdictions in their local planning factor survey responses. Survey responses indicate that a total of 1,785 units have been lost regionally from fires occurring after January 1, 2018. Units lost from fires that occurred prior to January 1, 2018, have already been counted in the replacement need for the 6th RHNA cycle.

In spring 2019, SCAG conducted a replacement need survey with jurisdictions to determine units that have been replaced on the site of demolished units reported. Region wide 23,545 of the region's demolished units still needed to be replaced based on survey results. The sum of the number of units needing to be replaced based on the replacement need survey and the number of units reported as lost due to recent states of emergency, or 25,330, is lower than HCD's regional determination of replacement need of 34,010. One can reasonably conclude that units lost based on this planning factor are already included in the regional total and distributed, and thus an extra mechanism to distribute RHNA based on this factor is not necessary to meet the loss of units.

(11) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

An assessment of survey responses indicate that a number of jurisdictions in the SCAG region are developing efforts for more efficient land use patterns and zoning that would result in greenhouse gas emissions. These include a mix of high-density housing types, neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

The RHNA methodology includes a distribution of 50 percent of regional existing need based on a jurisdiction's share of regional population within an HQT. The linkage between housing planning and transportation planning will allow for a better alignment between the RHNA allocation plan and the Connect SoCal RTP/SCS. It will promote more efficient development land use patterns, encourage transit use, and importantly reduce greenhouse gas emissions. This will in turn support local efforts already underway to support the reduction of regional greenhouse gas emissions.

Moreover the RHNA methodology includes the Growth Forecast reviewed with local input as a distribution component, particularly for projected housing need. Local input is a basis for SCAG's Connect SoCal Plan, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets. An analysis of the consistency between the RHNA and Connect SoCal Plan is included as an attachment to this document.

(12) Any other factors adopted by the council of governments that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

No other planning factors were adopted by SCAG to review as a specific local planning factor.

Affirmatively Furthering Fair Housing (AFFH)

Among a number of changes due to recent RHNA legislation is the inclusion of affirmatively furthering fair housing (AFFH) as both an addition to the listed State housing objectives of Government Section 65588 and to the requirements of RHNA methodology as listed in Government Code Section 65584.04(b) and (c), which includes surveying jurisdictions on AFFH issues and strategies and developing a regional analysis of findings from the survey.

AFFH Survey

The AFFH survey accompanied the required local planning factor survey and was sent to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. Ninety (90) of SCAG's 197 jurisdictions completed the AFFH survey, though some jurisdictions indicated that they would not be submitting the AFFH survey due to various reasons. The full packet of surveys submitted prior to the development of the proposed methodology packet can be downloaded at www.scag.ca.gov/rhna.

Jurisdictions were asked various questions regarding fair housing issues, strategies and actions. These questions included:

- Describe demographic trends and patterns in your jurisdiction over the past ten years. Do any groups experience disproportionate housing needs?
- To what extent do the following factors impact your jurisdiction by contributing to segregated housing patterns or racially or ethnically-concentrated areas of poverty?
- To what extent do the following acts as determinants for fair housing and compliance issues in your jurisdiction?
- What are your public outreach strategies to reach disadvantaged communities?
- What steps has your jurisdiction undertaken to overcome historical patterns of segregation or remove barriers to equal housing opportunity?

The survey questions were based on the U.S. Department of Housing and Urban Development (HUD) Analysis of Impediments to Fair Housing Choice survey that each jurisdiction, or their designated local Housing Authority, must submit to HUD to receive Community Development Block Grant (CDBG) funds. For the AFFH survey, jurisdictions were encouraged to review their HUD-submitted surveys to obtain data and information that would be useful for submitting the AFFH survey.

Pursuant to Government Code Section 65584.04(c), the following is an analysis of the survey results.

Themes

Several demographic themes emerged throughout the SCAG region based on submitted AFFH surveys. A high number of jurisdictions indicated that their senior populations are increasing and many indicated that the fixed income typically associated with senior populations might have an effect on housing affordability. Other jurisdictions have experienced an increase in minority populations, especially among Latino and Asian groups. There is also a trend of the loss of young adults (typically younger than 30) and a decrease in the number of families with children in more suburban locations due to the rise in housing costs.

Barriers

There was a wide variety of barriers reported in the AFFH survey, though a number of jurisdictions indicated they did not have any reportable barriers to fair access to housing. Throughout the SCAG region, communities of all types reported that community opposition to all types of housing was an impediment to housing development. Sometimes the opposition occurred in existing low income and minority areas. Some jurisdictions indicated that high opportunity resource areas currently do not have a lot of affordable housing or Section 8 voucher units while at the same time, these areas have a fundamental misunderstanding of who affordable housing serves and what affordable housing buildings actually look like. Based on these responses, it appears that community opposition to housing, especially affordable housing and the associated stigma with affordable housing, is a prevalent barrier throughout the SCAG region.

Other barriers to access to fair housing are caused by high land and development costs since they contribute to very few affordable housing projects being proposed in higher opportunity areas. The high cost of housing also limits access to fair housing and is a significant contributing factor to disparities in access to opportunity. Increasing property values were reported across the region and some jurisdictions indicated that they are occurring in existing affordable neighborhoods and can contribute to gentrification and displacement. Additionally, during the economic downturn a large number of Black and Latino homeowners were disproportionately impacted by predatory lending practices and therefore entered foreclosure in higher numbers than other populations.

Other barriers reported in the AFFH survey include the lack of funding available to develop housing after the dissolution of redevelopment agencies in 2012. Moreover, some jurisdictions indicated that the lack of regional cooperation contributes to segregation.

Strategies to Overcome Barriers

All submitted AFFH surveys indicated that their respective jurisdictions employed at least a few strategies to overcome barriers to access fair housing. These strategies ranged from local planning and zoning tools to funding assistance to innovative outreach strategies.

In regard to planning and zoning tools, a number of jurisdictions indicated they have adopted inclusionary zoning ordinances or an in-lieu fee to increase the number of affordable units within their jurisdictions. Others have adopted an accessory dwelling unit (ADU) ordinance with accommodating standards to allow for higher densities in existing single-family zone neighborhoods. A few jurisdictions indicated that they have adopted an unpermitted dwelling unit (UDU) ordinance, which legalizes unpermitted units instead of removing them provided that the units meet health and safety codes. In addition to ADU and UDU ordinances, some jurisdictions have also adopted density bonuses, which allow a project to exceed existing density standards if it meets certain affordability requirements. Some responses in the survey indicate that the establishment of some of these tools and standards have reduced community opposition to projects. In addition, some jurisdictions responded that they have reduced review times for residential permit approvals and reduced or waived fees associated with affordable housing development.

To combat gentrification and displacement, some jurisdictions have established rent-stabilization ordinances while others have established a rent registry so that the jurisdiction can monitor rents

and landlord practices. Some jurisdictions have adopted relocation plans and others are actively seeking to extend affordability covenants for those that are expiring.

In regard to funding, SCAG jurisdictions provide a wide variety of support to increase the supply of affordable housing and increase access to fair housing. A number of jurisdictions provide citywide rental assistance programs for low income households and some indicated that their programs include favorable home purchasing options. Some of these programs also encourage developers to utilize the local first-time homebuyer assistance program to specifically qualify lower income applicants.

Other jurisdictions indicate that they manage housing improvement programs to ensure that their existing affordable housing stock is well maintained. Some AFFH surveys describe local multiple rental assistance programs, including Section 8 Housing Choice vouchers and financial support of tenant/landlord arbitration or mediation services.

Some jurisdictions indicated that they have focused on mobile homes as a way to increase access to fair housing. There are programs described that assist households that live in dilapidated and unsafe mobile homes in unpermitted mobile home parks by allowing the household to trade in their mobile home in exchange for a new one in a permitted mobile park. Other programs include rental assistance specifically for households who live in mobile homes.

In regard to community outreach, a large number of jurisdictions in the SCAG region have established or are seeking to establish innovative partnerships to increase access to fair housing and reduce existing barriers. Many jurisdictions work with fair housing advocacy groups such as the Housing Rights Center, which provide community workshops, counseling, and tenant-landlord mediation services. Other jurisdictions have established landlord-tenant commissions to resolve housing disputes and provide services to individuals with limited resources. Some jurisdictions have partnered with advocacy groups, such as the League of United Latin American Citizens (LULAC), to hold community-based workshops featuring simultaneous multi-lingual translations. Other innovative partnerships created by jurisdictions include those with local schools and school districts and public health institutions to engage disadvantaged groups and provide services to areas with limited resources.

A large number of jurisdictions have also indicated that they have increased their social media presence to reach more communities. Others have also increased their multi-lingual outreach efforts to ensure that limited-English proficiency populations have the opportunity to engage in local fair housing efforts.

Based on the AFFH surveys submitted by jurisdictions, while there is a wide range of barriers to fair housing opportunities in the SCAG region there is also a wide range of strategies to help overcome these barriers at the local level.

Meeting AFFH Objectives on a Regional Basis

To work towards the objective of AFFH, several benchmarks were reviewed as potential indicators of increasing access to fair housing and removing barriers that led to historical segregation patterns.

Opportunity Indices

The objectives of affirmatively furthering fair housing are to not only overcome patterns of segregation, but to also increase access to opportunity for historically marginalized groups, particularly in racially and ethnically concentrated areas of poverty. In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. Regional patterns of segregation can be identified based on this tool. The indices are based on indicators such as poverty levels, low wage job proximity, pollution, math and reading proficiency. Below is a summary table of the 11 indices sorted by type:

| Economic | Environment | Education |
|------------------------|---|------------------------------|
| Poverty | CalEnviroScreen 3.0 indicators <ul style="list-style-type: none"> • <i>Ozone</i> • <i>PM2.5</i> • <i>Diesel PM</i> • <i>Drinking water contaminates</i> • <i>Pesticides</i> • <i>Toxic releases from facilities</i> • <i>Traffic density</i> • <i>Cleanup sites</i> • <i>Groundwater threats</i> • <i>Hazardous waste</i> • <i>Impaired water bodies</i> • <i>Solid waste sites</i> | Math proficiency |
| Adult education | | Reading proficiency |
| Employment | | High school graduation rates |
| Low-wage job proximity | | Student poverty rate |
| Median home value | | |

To further the objectives of AFFH, SCAG utilizes the Opportunity indices tool at multiple points in the RHNA methodology. Jurisdictions that have the highest concentration of population in low resource areas are exempted from receiving regional residual existing need, which will result in fewer units

assigned to areas identified as having high rates of poverty and racial segregation. Additionally, jurisdictions with the highest concentration of population within highest resource areas will receive a higher social equity adjustment, which will result in more access to opportunity for lower income households.

Public Engagement

The development of a comprehensive RHNA methodology requires comprehensive public engagement. Government Code Section 65584.04(d) requires at least one public hearing to receive oral and written comments on the proposed methodology, and also requires SCAG to distribute the proposed methodology to all jurisdictions and requesting stakeholders, along with publishing the proposed methodology on the SCAG website. The official public comment period on the proposed RHNA methodology began on August 1, 2019 after Regional Council action and concluded on September 13, 2019.

To maximize public engagement opportunities, SCAG staff hosted four public workshops to receive verbal and written comment on the proposed RHNA methodology and an additional public information session in August 2019:

- August 15, 6-8 p.m. Public Workshop, Los Angeles (View-only webcasting available)
- August 20, 1-3 p.m. Public Workshop, Los Angeles (Videoconference at SCAG regional offices and View-only webcasting available)
- August 22, 1-3 p.m., Public Workshop, Irvine
- August 27, 6-8 p.m., Public Workshop, San Bernardino (View-only webcasting available)
- August 29, 1-3pm Public Information Session, Santa Clarita

Approximately 250 people attended the workshops in-person, at videoconference locations, or via webcast. Over 35 individual verbal comments were shared over the four workshops.

To increase participation from individuals and stakeholders that are unable to participate during regular working hours, two of the public workshops were held in the evening hours. One of the workshops was held in the Inland Empire. SCAG worked with its Environmental Justice Working Group (EJWG) and local stakeholder groups to reach out to their respective contacts in order to maximize outreach to groups representing low income, minority, and other traditionally disadvantaged populations.

Almost 250 written comments were submitted by the comment deadline and included a wide range of stakeholders. Approximately 50 percent were from local jurisdictions and subregions, and the other 50 percent were submitted by advocacy organizations, industry groups, residents and resident groups, and the general public. All of the comments received, both verbal and written, were reviewed by SCAG staff, and were used as the basis for developing the RHNA methodology.

The increased involvement by the number of jurisdictions and stakeholders beyond the municipal level compared to prior RHNA cycles indicate an increased level of interest by the public in the housing crisis and its solutions, and the efforts of SCAG to meet these interests. As part of its housing

program initiatives, SCAG will continue to reach out to not only jurisdictions, but to advocacy groups and traditionally disadvantaged communities that have not historically participated in the RHNA process and regional housing planning. These efforts will be expanded beyond the RHNA program and will be encompassed into addressing the housing crisis at the regional level and ensuring that those at the local and community level can be part of solutions to the housing crisis.

Additional RHNA Methodology Supporting Materials

Please note that additional supporting materials for the RHNA Methodology have been posted on SCAG’s RHNA website at www.scag.ca.gov/rhna including Data Appendix, Local Planning Factor Survey Responses and Affirmatively Furthering Fair Housing Survey Responses.

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY
 13-Feb-20

ALLOCATION BY COUNTY

| | Total | Very-low income | Low income | Moderate income | Above moderate income |
|----------------|------------------|-----------------|----------------|-----------------|-----------------------|
| Imperial | 15,953 | 4,652 | 2,349 | 2,192 | 6,760 |
| Los Angeles | 813,071 | 217,492 | 123,141 | 131,523 | 340,916 |
| Orange | 183,425 | 46,264 | 29,166 | 32,476 | 75,519 |
| Riverside | 167,191 | 41,922 | 26,443 | 29,146 | 69,681 |
| San Bernardino | 137,796 | 35,556 | 21,849 | 24,089 | 56,302 |
| Ventura | 24,398 | 5,751 | 3,799 | 4,516 | 10,332 |
| TOTAL | 1,341,834 | 351,637 | 206,747 | 223,941 | 559,509 |

ALLOCATION BY SUBREGION

| | Total | Very-low income | Low income | Moderate income | Above moderate income |
|---------------------|---------|-----------------|------------|-----------------|-----------------------|
| Arroyo Verdugo | 22,143 | 5,974 | 3,572 | 3,650 | 8,947 |
| CVAG | 31,557 | 6,183 | 4,652 | 5,551 | 15,171 |
| Gateway | 74,423 | 20,805 | 10,776 | 11,221 | 31,621 |
| Imperial | 11,661 | 3,452 | 1,754 | 1,613 | 4,841 |
| Las Virgenes Malibu | 932 | 357 | 198 | 182 | 196 |
| Los Angeles City | 455,565 | 115,676 | 68,591 | 74,934 | 196,364 |
| North LA County | 27,428 | 7,837 | 4,127 | 4,278 | 11,185 |
| OCCOG | 173,050 | 43,136 | 27,305 | 30,442 | 72,167 |
| SBCTA/SBCOG | 128,972 | 33,381 | 20,491 | 22,566 | 52,534 |
| SGVCOG | 89,407 | 25,119 | 13,360 | 14,042 | 36,886 |
| South Bay Cities | 34,099 | 10,183 | 5,220 | 5,525 | 13,170 |
| Unincorporated | 155,364 | 42,801 | 24,347 | 25,907 | 62,309 |
| Ventura | 23,139 | 5,434 | 3,574 | 4,267 | 9,864 |
| Westside Cities | 19,225 | 5,957 | 3,635 | 3,538 | 6,095 |
| WRCOG | 94,869 | 25,342 | 15,144 | 16,224 | 38,159 |

ALLOCATION BY LOCAL JURISDICTION

| | County | Subregion | Total | Very-low income | Low income | Moderate income | Above moderate income |
|--------------------|----------------|---------------------|-------|-----------------|------------|-----------------|-----------------------|
| Adelanto city | San Bernardino | SBCTA/SBCOG | 3755 | 393 | 565 | 650 | 2148 |
| Agoura Hills city | Los Angeles | Las Virgenes Malibu | 318 | 126 | 72 | 55 | 65 |
| Alhambra city | Los Angeles | SGVCOG | 6810 | 1769 | 1033 | 1077 | 2931 |
| Aliso Viejo city | Orange | OCCOG | 1193 | 388 | 213 | 205 | 386 |
| Anaheim city | Orange | OCCOG | 17412 | 3757 | 2391 | 2939 | 8325 |
| Apple Valley town | San Bernardino | SBCTA/SBCOG | 4281 | 1082 | 599 | 745 | 1855 |
| Arcadia city | Los Angeles | SGVCOG | 3205 | 1098 | 568 | 604 | 935 |
| Artesia city | Los Angeles | Gateway | 1067 | 310 | 168 | 128 | 462 |
| Avalon city | Los Angeles | Gateway | 27 | 7 | 5 | 3 | 12 |
| Azusa city | Los Angeles | SGVCOG | 2644 | 757 | 366 | 381 | 1139 |
| Baldwin Park city | Los Angeles | SGVCOG | 1996 | 574 | 274 | 262 | 886 |
| Banning city | Riverside | WRCOG | 1669 | 315 | 192 | 279 | 882 |
| Barstow city | San Bernardino | SBCTA/SBCOG | 1516 | 171 | 227 | 299 | 819 |
| Beaumont city | Riverside | WRCOG | 4201 | 1225 | 719 | 722 | 1535 |
| Bell city | Los Angeles | Gateway | 228 | 42 | 23 | 29 | 134 |
| Bell Gardens city | Los Angeles | Gateway | 502 | 99 | 29 | 72 | 303 |
| Bellflower city | Los Angeles | Gateway | 3725 | 1011 | 486 | 552 | 1676 |
| Beverly Hills city | Los Angeles | Westside Cities | 3096 | 1005 | 678 | 600 | 813 |
| Big Bear Lake city | San Bernardino | SBCTA/SBCOG | 212 | 49 | 33 | 37 | 93 |
| Blythe city | Riverside | CVAG | 493 | 81 | 70 | 96 | 245 |
| Bradbury city | Los Angeles | SGVCOG | 40 | 15 | 8 | 9 | 8 |
| Brawley city | Imperial | Imperial | 1423 | 397 | 209 | 202 | 615 |
| Brea city | Orange | OCCOG | 2360 | 666 | 392 | 402 | 899 |
| Buena Park city | Orange | OCCOG | 8900 | 2113 | 1340 | 1570 | 3876 |
| Burbank city | Los Angeles | Arroyo Verdugo | 8752 | 2546 | 1415 | 1406 | 3386 |
| Calabasas city | Los Angeles | Las Virgenes Malibu | 353 | 131 | 70 | 70 | 82 |
| Calexico city | Imperial | Imperial | 4854 | 1274 | 653 | 612 | 2315 |
| Calimesa city | Riverside | WRCOG | 2012 | 493 | 274 | 378 | 867 |
| Calipatria city | Imperial | Imperial | 151 | 35 | 21 | 16 | 79 |
| Camarillo city | Ventura | Ventura | 1372 | 351 | 243 | 270 | 508 |
| Canyon Lake city | Riverside | WRCOG | 129 | 43 | 23 | 24 | 39 |
| Carson city | Los Angeles | South Bay Cities | 5606 | 1765 | 911 | 873 | 2057 |

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY

| | County | Subregion | Total | Very-low income | Low income | Moderate income | Above moderate income |
|---------------------------|----------------|---------------------|-------|-----------------|------------|-----------------|-----------------------|
| Cathedral City city | Riverside | CVAG | 2543 | 537 | 352 | 456 | 1197 |
| Cerritos city | Los Angeles | Gateway | 1902 | 676 | 344 | 331 | 551 |
| Chino city | San Bernardino | SBCTA/SBCOG | 6959 | 2106 | 1281 | 1200 | 2373 |
| Chino Hills city | San Bernardino | SBCTA/SBCOG | 3720 | 1384 | 819 | 787 | 731 |
| Claremont city | Los Angeles | SGVCOG | 1705 | 553 | 308 | 296 | 548 |
| Coachella city | Riverside | CVAG | 7875 | 1030 | 998 | 1366 | 4482 |
| Colton city | San Bernardino | SBCTA/SBCOG | 5418 | 1313 | 666 | 904 | 2536 |
| Commerce city | Los Angeles | Gateway | 246 | 54 | 22 | 38 | 132 |
| Compton city | Los Angeles | Gateway | 1001 | 234 | 120 | 130 | 517 |
| Corona city | Riverside | WRCOG | 6078 | 1748 | 1038 | 1094 | 2198 |
| Costa Mesa city | Orange | OCCOG | 11727 | 2910 | 1789 | 2083 | 4946 |
| Covina city | Los Angeles | SGVCOG | 1908 | 612 | 267 | 281 | 747 |
| Cudahy city | Los Angeles | Gateway | 393 | 79 | 36 | 53 | 224 |
| Culver City city | Los Angeles | Westside Cities | 3332 | 1104 | 602 | 558 | 1067 |
| Cypress city | Orange | OCCOG | 3924 | 1145 | 655 | 622 | 1502 |
| Dana Point city | Orange | OCCOG | 529 | 146 | 84 | 101 | 199 |
| Desert Hot Springs city | Riverside | CVAG | 3864 | 567 | 534 | 686 | 2077 |
| Diamond Bar city | Los Angeles | SGVCOG | 2514 | 841 | 432 | 435 | 805 |
| Downey city | Los Angeles | Gateway | 6504 | 2072 | 943 | 912 | 2578 |
| Duarte city | Los Angeles | SGVCOG | 873 | 263 | 142 | 135 | 333 |
| Eastvale City | Riverside | WRCOG | 3021 | 1141 | 671 | 634 | 576 |
| El Centro city | Imperial | Imperial | 3431 | 997 | 488 | 460 | 1485 |
| El Monte city | Los Angeles | SGVCOG | 8482 | 1791 | 851 | 1230 | 4610 |
| El Segundo city | Los Angeles | South Bay Cities | 491 | 188 | 88 | 83 | 132 |
| Fillmore city | Ventura | Ventura | 413 | 72 | 60 | 72 | 209 |
| Fontana city | San Bernardino | SBCTA/SBCOG | 17476 | 5095 | 2943 | 3029 | 6410 |
| Fountain Valley city | Orange | OCCOG | 4832 | 1304 | 785 | 833 | 1911 |
| Fullerton city | Orange | OCCOG | 13180 | 3189 | 1985 | 2267 | 5739 |
| Garden Grove city | Orange | OCCOG | 19124 | 4154 | 2795 | 3204 | 8970 |
| Gardena city | Los Angeles | South Bay Cities | 5719 | 1479 | 758 | 892 | 2589 |
| Glendale city | Los Angeles | Arroyo Verdugo | 13391 | 3429 | 2158 | 2244 | 5561 |
| Glendora city | Los Angeles | SGVCOG | 2271 | 732 | 385 | 387 | 766 |
| Grand Terrace city | San Bernardino | SBCTA/SBCOG | 628 | 187 | 91 | 106 | 243 |
| Hawaiian Gardens city | Los Angeles | Gateway | 330 | 60 | 43 | 46 | 181 |
| Hawthorne city | Los Angeles | South Bay Cities | 1731 | 443 | 204 | 249 | 835 |
| Hemet city | Riverside | WRCOG | 6451 | 809 | 730 | 1171 | 3741 |
| Hermosa Beach city | Los Angeles | South Bay Cities | 556 | 231 | 126 | 105 | 94 |
| Hesperia city | San Bernardino | SBCTA/SBCOG | 8135 | 1915 | 1228 | 1406 | 3587 |
| Hidden Hills city | Los Angeles | Las Virgenes Malibu | 41 | 16 | 8 | 9 | 7 |
| Highland city | San Bernardino | SBCTA/SBCOG | 2508 | 617 | 408 | 470 | 1013 |
| Holtville city | Imperial | Imperial | 171 | 40 | 33 | 26 | 73 |
| Huntington Beach city | Orange | OCCOG | 13337 | 3651 | 2179 | 2303 | 5204 |
| Huntington Park city | Los Angeles | Gateway | 1601 | 263 | 195 | 242 | 901 |
| Imperial city | Imperial | Imperial | 1598 | 702 | 345 | 294 | 258 |
| Indian Wells city | Riverside | CVAG | 381 | 116 | 80 | 91 | 94 |
| Indio city | Riverside | CVAG | 7793 | 1787 | 1167 | 1312 | 3527 |
| Industry city | Los Angeles | SGVCOG | 17 | 5 | 4 | 2 | 6 |
| Inglewood city | Los Angeles | South Bay Cities | 7422 | 1808 | 952 | 1110 | 3552 |
| Irvine city | Orange | OCCOG | 23555 | 6379 | 4225 | 4299 | 8652 |
| Irwindale city | Los Angeles | SGVCOG | 119 | 35 | 11 | 16 | 56 |
| Jurupa Valley City | Riverside | WRCOG | 4484 | 1203 | 747 | 729 | 1806 |
| La Cañada Flintridge city | Los Angeles | SGVCOG | 611 | 251 | 135 | 139 | 87 |
| La Habra city | Orange | OCCOG | 803 | 191 | 116 | 130 | 367 |
| La Habra Heights city | Los Angeles | Gateway | 171 | 77 | 34 | 31 | 29 |
| La Mirada city | Los Angeles | Gateway | 1958 | 632 | 341 | 319 | 665 |
| La Palma city | Orange | OCCOG | 800 | 222 | 140 | 137 | 301 |
| La Puente city | Los Angeles | SGVCOG | 1928 | 543 | 275 | 275 | 836 |
| La Quinta city | Riverside | CVAG | 1526 | 419 | 268 | 296 | 544 |
| La Verne city | Los Angeles | SGVCOG | 1343 | 412 | 238 | 223 | 470 |
| Laguna Beach city | Orange | OCCOG | 393 | 117 | 80 | 79 | 118 |
| Laguna Hills city | Orange | OCCOG | 1979 | 565 | 352 | 353 | 709 |
| Laguna Niguel city | Orange | OCCOG | 1205 | 347 | 201 | 223 | 435 |
| Laguna Woods city | Orange | OCCOG | 992 | 125 | 135 | 191 | 541 |
| Lake Elsinore city | Riverside | WRCOG | 6666 | 1873 | 1097 | 1131 | 2566 |
| Lake Forest city | Orange | OCCOG | 3229 | 953 | 541 | 558 | 1177 |
| Lakewood city | Los Angeles | Gateway | 3915 | 1293 | 636 | 652 | 1335 |
| Lancaster city | Los Angeles | North LA County | 9004 | 2218 | 1192 | 1326 | 4269 |
| Lawndale city | Los Angeles | South Bay Cities | 2491 | 729 | 310 | 370 | 1082 |

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY

| | County | Subregion | Total | Very-low income | Low income | Moderate income | Above moderate income |
|---------------------------------|----------------|---------------------|--------|-----------------|------------|-----------------|-----------------------|
| Loma Linda city | San Bernardino | SBCTA/SBCOG | 2052 | 522 | 311 | 353 | 866 |
| Lomita city | Los Angeles | South Bay Cities | 828 | 238 | 123 | 127 | 339 |
| Long Beach city | Los Angeles | Gateway | 26440 | 7122 | 4038 | 4149 | 11131 |
| Los Alamitos city | Orange | OCCOG | 767 | 192 | 118 | 145 | 312 |
| Los Angeles city | Los Angeles | Los Angeles City | 455565 | 115676 | 68591 | 74934 | 196364 |
| Lynwood city | Los Angeles | Gateway | 1555 | 375 | 138 | 235 | 807 |
| Malibu city | Los Angeles | Las Virgenes Malibu | 78 | 27 | 18 | 17 | 17 |
| Manhattan Beach city | Los Angeles | South Bay Cities | 773 | 321 | 164 | 155 | 133 |
| Maywood city | Los Angeles | Gateway | 364 | 54 | 47 | 55 | 209 |
| Menifee city | Riverside | WRCOG | 6593 | 1755 | 1049 | 1103 | 2686 |
| Mission Viejo city | Orange | OCCOG | 2211 | 671 | 400 | 396 | 744 |
| Monrovia city | Los Angeles | SGVCOG | 1670 | 518 | 262 | 254 | 636 |
| Montclair city | San Bernardino | SBCTA/SBCOG | 2589 | 696 | 382 | 399 | 1112 |
| Montebello city | Los Angeles | SGVCOG | 5171 | 1309 | 705 | 774 | 2383 |
| Monterey Park city | Los Angeles | SGVCOG | 5246 | 1320 | 820 | 846 | 2260 |
| Moorpark city | Ventura | Ventura | 1287 | 376 | 233 | 245 | 434 |
| Moreno Valley city | Riverside | WRCOG | 13595 | 3768 | 2046 | 2161 | 5620 |
| Murrieta city | Riverside | WRCOG | 3035 | 1005 | 581 | 543 | 905 |
| Needles city | San Bernardino | SBCTA/SBCOG | 86 | 9 | 10 | 16 | 51 |
| Newport Beach city | Orange | OCCOG | 4832 | 1451 | 927 | 1048 | 1406 |
| Norco city | Riverside | WRCOG | 453 | 144 | 84 | 81 | 143 |
| Norwalk city | Los Angeles | Gateway | 5024 | 1542 | 757 | 657 | 2068 |
| Ojai city | Ventura | Ventura | 52 | 12 | 8 | 10 | 22 |
| Ontario city | San Bernardino | SBCTA/SBCOG | 20803 | 5624 | 3279 | 3322 | 8579 |
| Orange city | Orange | OCCOG | 3927 | 1064 | 603 | 676 | 1585 |
| Oxnard city | Ventura | Ventura | 8529 | 1834 | 1068 | 1535 | 4092 |
| Palm Desert city | Riverside | CVAG | 2785 | 673 | 459 | 460 | 1193 |
| Palm Springs city | Riverside | CVAG | 2554 | 543 | 407 | 461 | 1142 |
| Palmdale city | Los Angeles | North LA County | 6625 | 1772 | 933 | 1001 | 2919 |
| Palos Verdes Estates city | Los Angeles | South Bay Cities | 198 | 81 | 44 | 47 | 26 |
| Paramount city | Los Angeles | Gateway | 363 | 90 | 43 | 48 | 182 |
| Pasadena city | Los Angeles | SGVCOG | 9409 | 2739 | 1659 | 1562 | 3449 |
| Perris city | Riverside | WRCOG | 7786 | 2024 | 1124 | 1271 | 3367 |
| Pico Rivera city | Los Angeles | Gateway | 3939 | 1148 | 562 | 572 | 1657 |
| Placentia city | Orange | OCCOG | 4363 | 1226 | 678 | 768 | 1690 |
| Pomona city | Los Angeles | SGVCOG | 10532 | 2791 | 1336 | 1506 | 4899 |
| Port Hueneme city | Ventura | Ventura | 125 | 25 | 15 | 18 | 66 |
| Rancho Cucamonga city | San Bernardino | SBCTA/SBCOG | 10500 | 3236 | 1916 | 2033 | 3315 |
| Rancho Mirage city | Riverside | CVAG | 1743 | 429 | 317 | 328 | 670 |
| Rancho Palos Verdes city | Los Angeles | South Bay Cities | 637 | 251 | 138 | 125 | 122 |
| Rancho Santa Margarita city | Orange | OCCOG | 679 | 208 | 120 | 125 | 227 |
| Redlands city | San Bernardino | SBCTA/SBCOG | 3507 | 963 | 614 | 650 | 1280 |
| Redondo Beach city | Los Angeles | South Bay Cities | 2483 | 932 | 507 | 489 | 555 |
| Rialto city | San Bernardino | SBCTA/SBCOG | 8252 | 2211 | 1203 | 1368 | 3470 |
| Riverside city | Riverside | WRCOG | 18419 | 4849 | 3057 | 3133 | 7379 |
| Rolling Hills city | Los Angeles | South Bay Cities | 44 | 19 | 9 | 11 | 6 |
| Rolling Hills Estates city | Los Angeles | South Bay Cities | 191 | 81 | 42 | 38 | 30 |
| Rosemead city | Los Angeles | SGVCOG | 4604 | 1151 | 636 | 685 | 2131 |
| San Bernardino city | San Bernardino | SBCTA/SBCOG | 8104 | 1411 | 1094 | 1445 | 4154 |
| San Buenaventura (Ventura) city | Ventura | Ventura | 5302 | 1184 | 863 | 948 | 2307 |
| San Clemente city | Orange | OCCOG | 975 | 279 | 162 | 186 | 347 |
| San Dimas city | Los Angeles | SGVCOG | 1245 | 382 | 219 | 206 | 438 |
| San Fernando city | Los Angeles | North LA County | 1790 | 459 | 272 | 283 | 776 |
| San Gabriel city | Los Angeles | SGVCOG | 3017 | 843 | 414 | 465 | 1295 |
| San Jacinto city | Riverside | WRCOG | 3385 | 797 | 464 | 559 | 1565 |
| San Juan Capistrano city | Orange | OCCOG | 1052 | 268 | 172 | 183 | 428 |
| San Marino city | Los Angeles | SGVCOG | 398 | 149 | 91 | 91 | 68 |
| Santa Ana city | Orange | OCCOG | 3087 | 583 | 360 | 522 | 1621 |
| Santa Clarita city | Los Angeles | North LA County | 10009 | 3388 | 1730 | 1668 | 3222 |
| Santa Fe Springs city | Los Angeles | Gateway | 950 | 252 | 158 | 152 | 388 |
| Santa Monica city | Los Angeles | Westside Cities | 8874 | 2786 | 1668 | 1698 | 2721 |
| Santa Paula city | Ventura | Ventura | 655 | 101 | 98 | 121 | 335 |
| Seal Beach city | Orange | OCCOG | 1240 | 256 | 200 | 238 | 545 |
| Sierra Madre city | Los Angeles | SGVCOG | 204 | 78 | 38 | 34 | 53 |
| Signal Hill city | Los Angeles | Gateway | 516 | 159 | 78 | 90 | 189 |
| Simi Valley city | Ventura | Ventura | 2788 | 746 | 492 | 517 | 1032 |
| South El Monte city | Los Angeles | SGVCOG | 576 | 130 | 63 | 70 | 313 |
| South Gate city | Los Angeles | Gateway | 8263 | 2130 | 991 | 1171 | 3971 |

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

ESTIMATE OF SCAG RHNA ALLOCATION BASED ON STAFF-RECOMMENDED FINAL RHNA METHODOLOGY

| | County | Subregion | Total | Very-low income | Low income | Moderate income | Above moderate income |
|-----------------------------------|----------------|---------------------|-------|-----------------|------------|-----------------|-----------------------|
| South Pasadena city | Los Angeles | SGVCOG | 2061 | 754 | 397 | 333 | 578 |
| Stanton city | Orange | OCCOG | 1228 | 164 | 144 | 231 | 690 |
| Temecula city | Riverside | WRCOG | 4183 | 1355 | 799 | 777 | 1253 |
| Temple City city | Los Angeles | SGVCOG | 2183 | 628 | 349 | 369 | 837 |
| Thousand Oaks city | Ventura | Ventura | 2616 | 733 | 493 | 531 | 860 |
| Torrance city | Los Angeles | South Bay Cities | 4929 | 1617 | 844 | 851 | 1617 |
| Tustin city | Orange | OCCOG | 6777 | 1722 | 1045 | 1131 | 2879 |
| Twentynine Palms city | San Bernardino | SBCTA/SBCOG | 1044 | 229 | 126 | 184 | 504 |
| Unincorporated Imperial Co. | Imperial | Unincorporated | 4292 | 1200 | 595 | 579 | 1919 |
| Unincorporated Los Angeles Co. | Los Angeles | Unincorporated | 89849 | 25583 | 13662 | 14152 | 36452 |
| Unincorporated Orange Co. | Orange | Unincorporated | 10375 | 3128 | 1861 | 2034 | 3352 |
| Unincorporated Riverside Co. | Riverside | Unincorporated | 40765 | 10398 | 6647 | 7370 | 16350 |
| Unincorporated San Bernardino Co. | San Bernardino | Unincorporated | 8824 | 2176 | 1358 | 1522 | 3768 |
| Unincorporated Ventura Co. | Ventura | Unincorporated | 1259 | 317 | 225 | 249 | 468 |
| Upland city | San Bernardino | SBCTA/SBCOG | 5673 | 1579 | 956 | 1011 | 2127 |
| Vernon city | Los Angeles | Gateway | 8 | 4 | 4 | 0 | 0 |
| Victorville city | San Bernardino | SBCTA/SBCOG | 8146 | 1730 | 1133 | 1500 | 3782 |
| Villa Park city | Orange | OCCOG | 295 | 92 | 59 | 61 | 83 |
| Walnut city | Los Angeles | SGVCOG | 1292 | 426 | 224 | 231 | 411 |
| West Covina city | Los Angeles | SGVCOG | 5333 | 1648 | 847 | 863 | 1974 |
| West Hollywood city | Los Angeles | Westside Cities | 3923 | 1062 | 687 | 681 | 1493 |
| Westlake Village city | Los Angeles | Las Virgenes Malibu | 142 | 57 | 29 | 32 | 24 |
| Westminster city | Orange | OCCOG | 9733 | 1874 | 1469 | 1780 | 4610 |
| Westmorland city | Imperial | Imperial | 33 | 7 | 5 | 4 | 17 |
| Whittier city | Los Angeles | Gateway | 3431 | 1022 | 535 | 555 | 1319 |
| Wildomar city | Riverside | WRCOG | 2709 | 795 | 449 | 433 | 1032 |
| Yorba Linda city | Orange | OCCOG | 2410 | 762 | 449 | 456 | 742 |
| Yucaipa city | San Bernardino | SBCTA/SBCOG | 2859 | 705 | 492 | 509 | 1153 |
| Yucca Valley town | San Bernardino | SBCTA/SBCOG | 749 | 154 | 116 | 145 | 334 |

Attachment: Estimated RHNA Allocations (Recommended Final RHNA Methodology)

RHNA Timeline of Key Activities and Milestones
October 2018 - January 2020

| Date | Type | Milestone |
|----------------|-----------------------|--|
| 10/29/18 | Meeting | RHNA Subcommittee Meeting #1: Kickoff |
| 12/3/18 | Meeting | RHNA Subcommittee Meeting #2: Action- Subcommittee charter |
| 2/4/19 | Meeting | RHNA Subcommittee Meeting #3: Action-subregional delegation guidelines |
| 2/7/19 | Meeting | Regional Council and CEHD Meeting: Action-RHNA Subcommittee charter |
| 3/4/19 | Meeting | RHNA Subcommittee Meeting #4: Action-release of methodology surveys, discussion on RHNA methodology |
| 3/7/19 | Meeting | CEHD Meeting: Action-Subregional delegation guidelines |
| 3/27/19 | Panel | Convened Panel of Experts on technical issues related to regional determination |
| 4/1/19 | Meeting | RHNA Subcommittee Meeting #5: Discussion on RHNA methodology |
| 4/4/19 | Meeting | Regional Council Meeting: Action-Subregional delegation guidelines |
| 5/6/19 | Meeting | RHNA Subcommittee Meeting #6: Action- regional determination package, discussion on RHNA methodology |
| 6/3/19 | Meeting | RHNA Subcommittee Meeting #7: Action- amended regional determination package, discussion on RHNA methodology |
| 6/6/19 | Meeting | CEHD and Regional Council Meeting: Action – submission of regional consultation package to HCD |
| 6/20/19 | Submission | Submission of regional consultation package to HCD |
| 7/22/19 | Meeting | RHNA Subcommittee Meeting #8: Action-release of proposed methodology options for public review |
| 7/29/19 | Webinar | RHNA 101 Webinar |
| 8/1/19 | Meeting | Release of Proposed Methodology for Public Comment (CEHD and Regional Council Action) |
| 8/1/19-9/1/319 | Public comment period | Public comment period on proposed RHNA methodology |
| 8/15/19 | Hearing | Proposed Methodology Public Hearing #1, SCAG Los Angeles Office |
| 8/20/19 | Hearing | Proposed Methodology Public Hearing #2, SCAG Los Angeles Office |
| 8/22/19 | Correspondence | Receipt of regional determination from HCD |
| 8/22/19 | Hearing | Proposed Methodology Public Hearing #3, Irvine City Hall |
| 8/22/19 | Hearing | Proposed Methodology Public Hearing #4, SBCTA Board Room |
| 8/29/19 | Workshop | Proposed Methodology Public Information Session, Santa Clarita |
| 9/5/19 | Meeting | CEHD and Regional Council Meeting: Action-Objection to regional determination from HCD |
| 9/13/19 | Due date | Comment deadline for proposed methodology |
| 9/18/19 | Submission | Submission of objection letter of regional determination to HCD |
| 9/25/19 | Workshop | Preview workshop of staff recommended draft RHNA methodology |

| | | |
|----------|----------------|--|
| 10/7/19 | Meeting | RHNA Subcommittee Meeting #9: Action-recommendation of draft RHNA methodology <i>Mayor Bailey's Substitute Motion failed in a 4-3 votes</i> |
| 10/15/19 | Correspondence | Receipt of final regional determination from HCD |
| 10/17/19 | Meeting | Briefing on technical issues related to staff recommended draft RHNA methodology as part of the Technical Working Group meeting |
| 10/21/19 | Meeting | CEHD Special Meeting: Action- recommendation of draft RHNA methodology (<i>unanimous</i>) |
| 10/21/19 | Correspondence | Commenter letter from SBCTA objecting to staff-recommended draft RHNA methodology due to inequitable regional distribution |
| 10/22/19 | Correspondence | Received e-mail from Mayor Sahli-Wells requesting staff presentation of Mayor Bailey's Alternative RHNA Methodology for the November 7, 2019 Regional Council meeting |
| 11/1/19 | Correspondence | Received letter jointly signed by Mayor Bailey, Supervisor Spiegel, Mayor Navarro & EEC Member Toni Mombberger recommending an Alternative RHNA Methodology for the November 7, 2019 Regional Council meeting |
| 11/2/19 | Staff Report | Staff Report posted including analysis of Alternative Methodology |
| 11/5/19 | Correspondence | Commenter letter from Mayor of Los Angeles objecting to staff-recommended draft RHNA methodology including recommendations with some overlap with Bailey's Alternative Methodology |
| 11/5/19 | Correspondence | E-mail from Kome to RC members including the letter from Mayor Bailey & the Estimator (calculator) for Alternative Methodology, enabling side-by-side comparison of jurisdictions' estimated RHNA allocations under either scenario. |
| 11/6/19 | Staff Memo | SCAG staff's initial response provided to City of Los Angeles on its Recommended Changes to RHNA methodology |
| 11/7/19 | Meeting | Regional Council Meeting: Action-Approval of <i>Bailey's Alternative Methodology by a 43-19 votes; approved methodology submitted to HCD for review</i> |
| 11/14/19 | Submission | Submission of draft RHNA methodology to HCD as approved by Regional Council |
| 1/13/20 | Correspondence | Receipt of HCD's review of SCAG's draft RHNA methodology, which is found to further the five statutory objectives of RHNA |

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