

6th Cycle Proposed RHNA Methodology

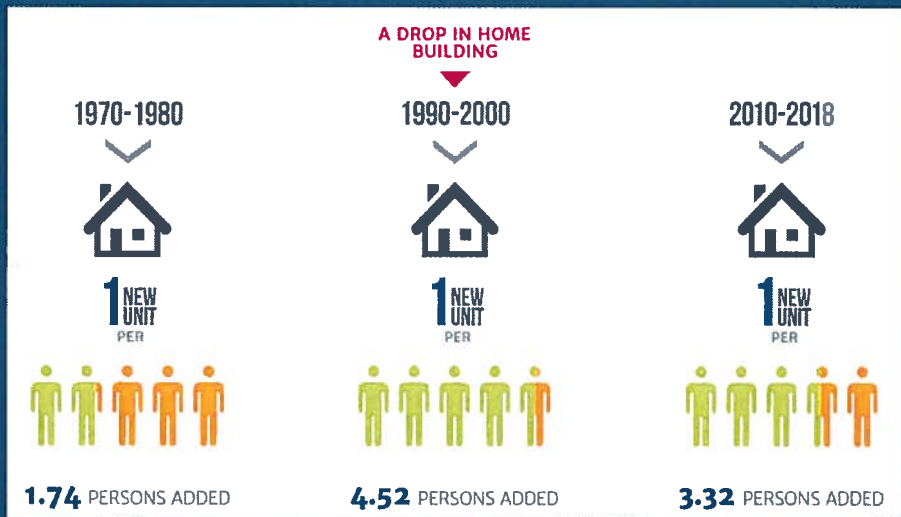
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Compliance and Performance Monitoring

www.scag.ca.gov



Purpose of RHNA



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

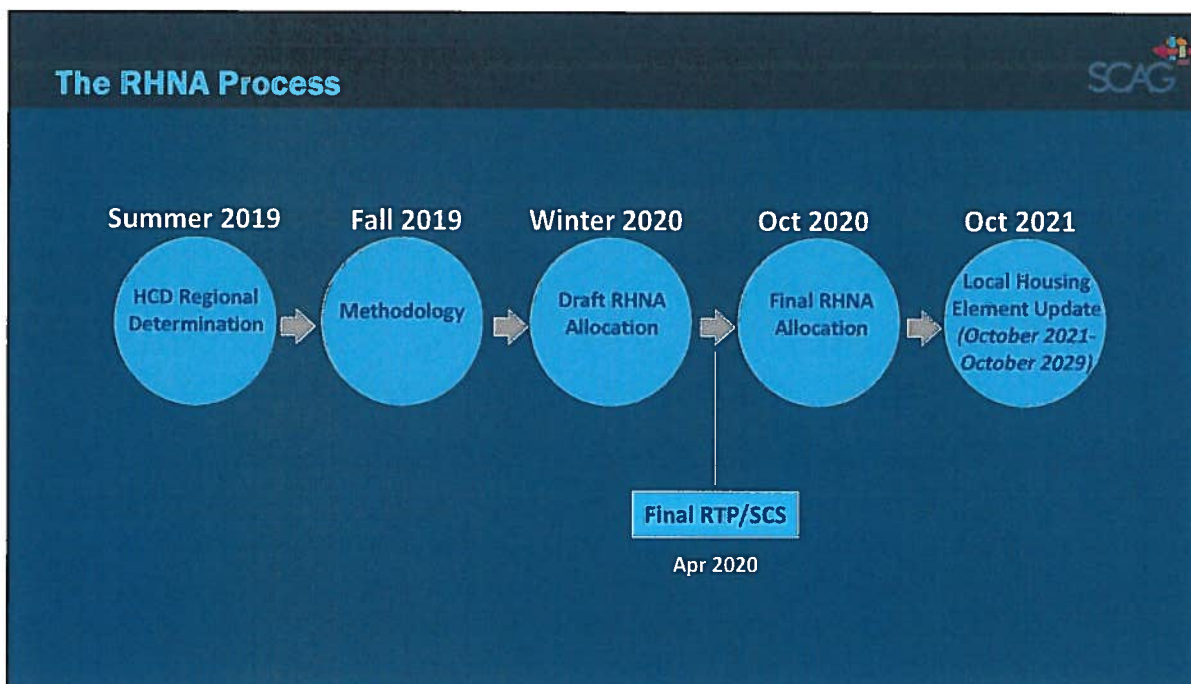


Objectives of RHNA



- 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






Proposed RHNA Methodology: Options

- Three options developed based on feedback from RHNA Subcommittee and stakeholders
- Each option applies different components
- One option will be recommended to the RHNA Subcommittee, CEHD, and Regional Council for submittal to HCD

Proposed RHNA Methodology*



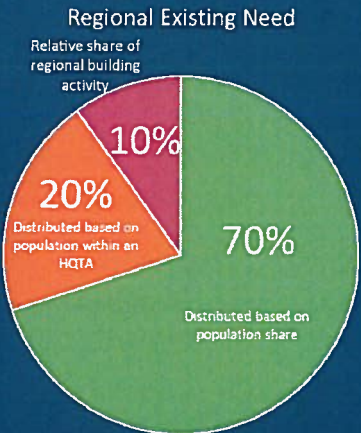
<p>Option 1</p> <ul style="list-style-type: none"> • Share of population • Share of population within high quality transit areas • Share of regional undersupply of building permits issued • Local input/Future vacancy need/Replacement need • Social equity adjustment 	<p>Option 2</p> <ul style="list-style-type: none"> • Share of population • Share of population within high quality transit areas • Social equity adjustment 	<p>Option 3</p> <ul style="list-style-type: none"> • Local input/Future vacancy need/Replacement need • Social equity adjustment
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*Stakeholders are invited to share comments and propose other components or options

Option 1 Step 1 Determining Existing Need

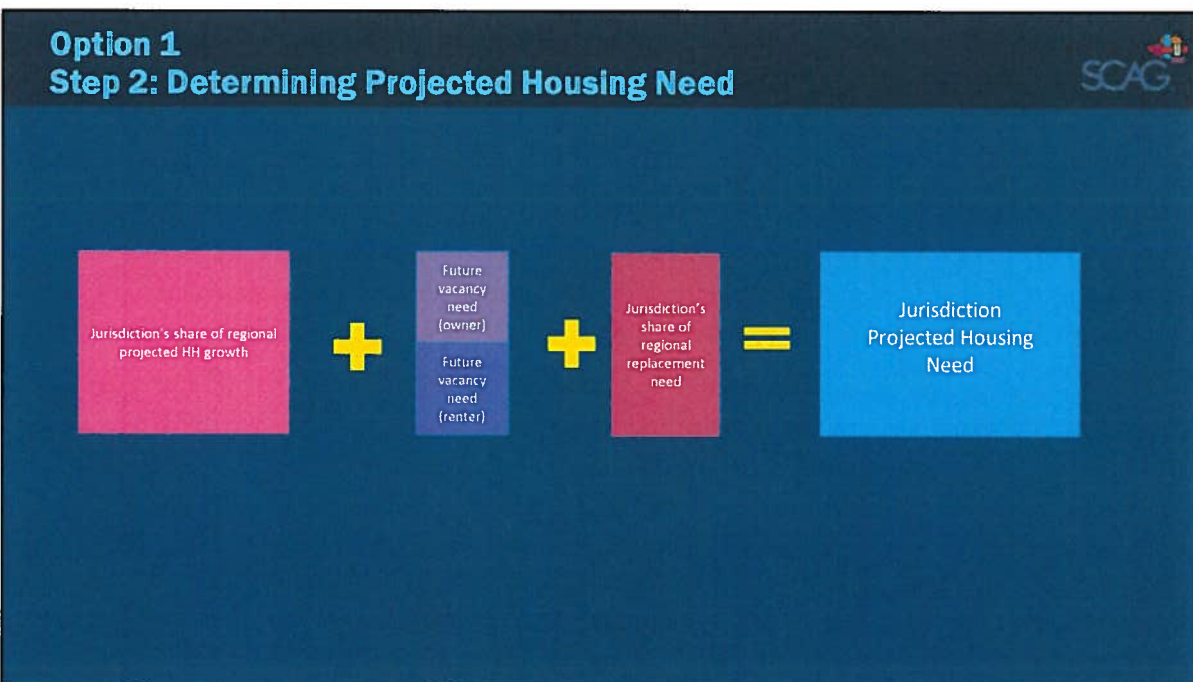
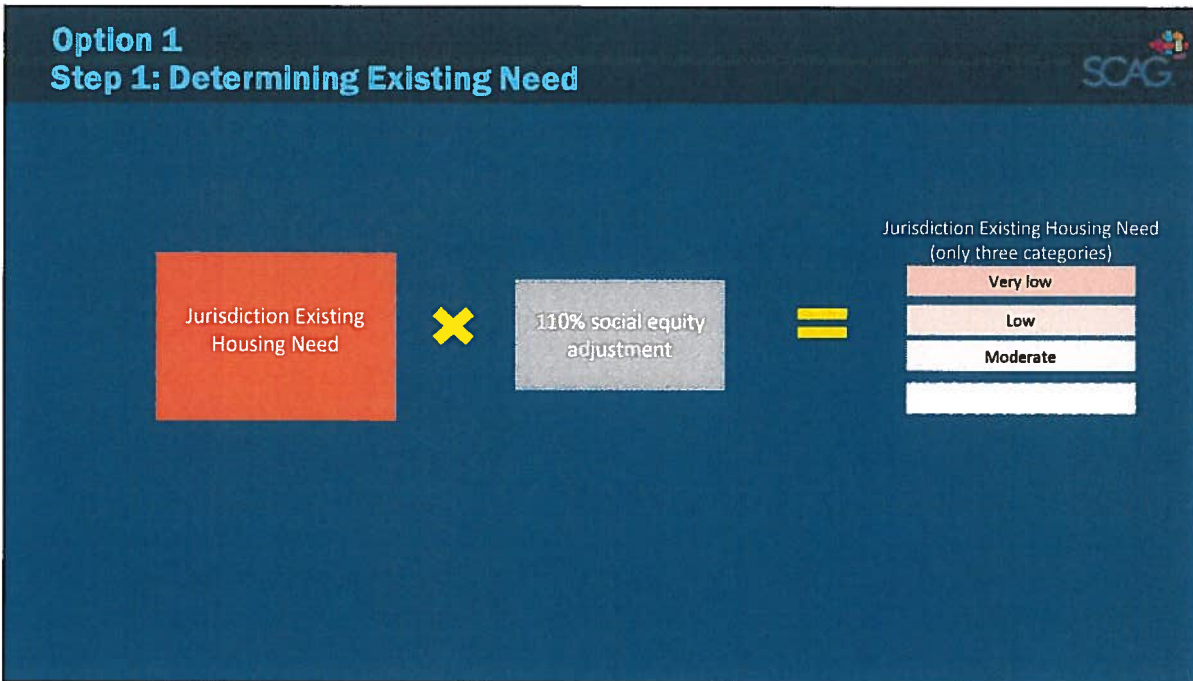


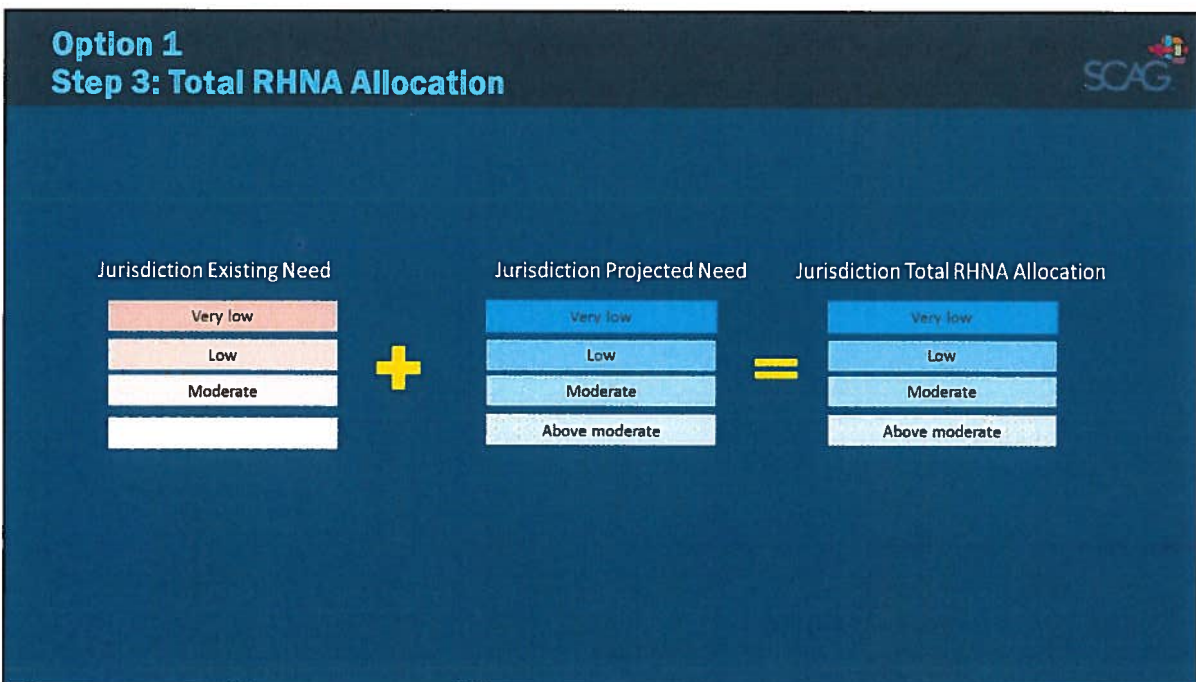
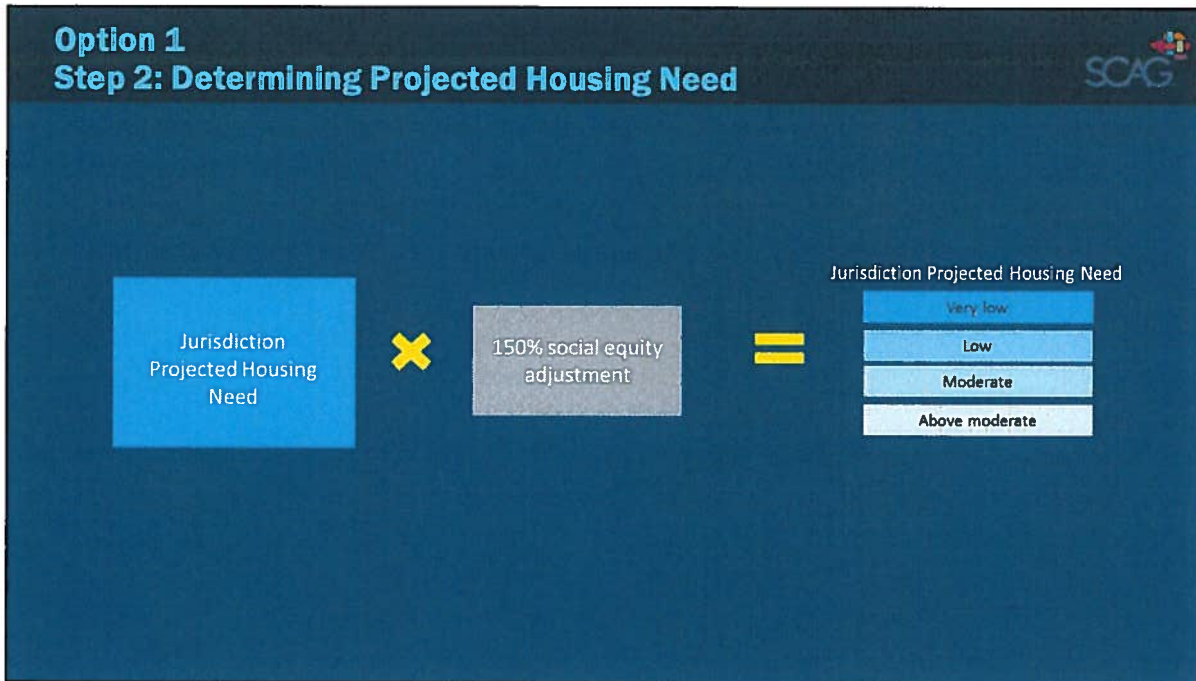
Regional Existing Need

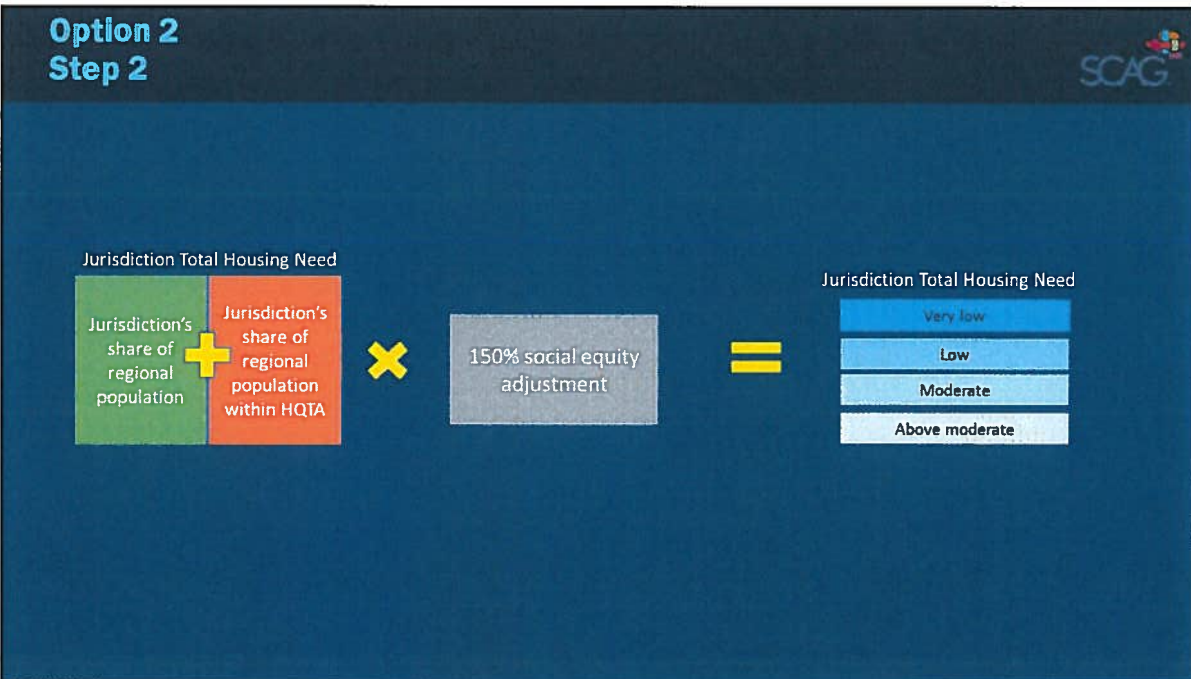
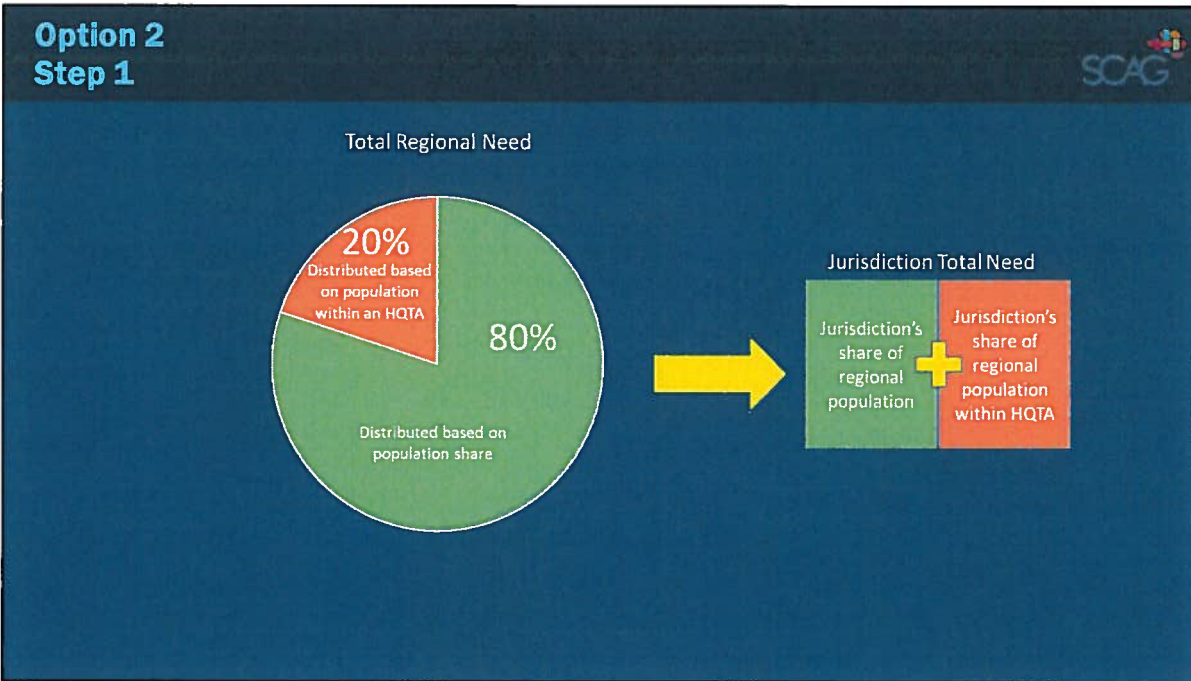


Jurisdiction Existing Need



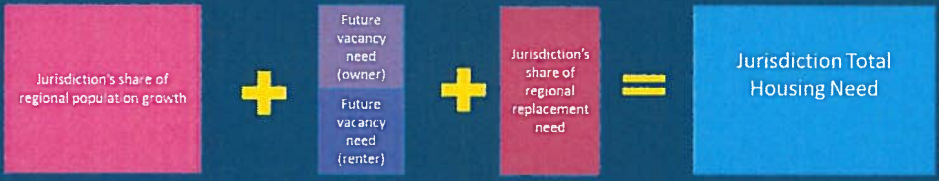







**Option 3
Step 1** SCAG

- Similar to projected need from Option 1
- Share of regional population growth instead of household growth
- Horizon year based on closest household growth to regional determination from HCD



Jurisdiction's share of regional population growth + Future vacancy need (owner) + Future vacancy need (renter) + Jurisdiction's share of regional replacement need = Jurisdiction Total Housing Need

**Option 3
Step 2** SCAG



Jurisdiction Total Housing Need × 150% social equity adjustment = Jurisdiction Projected Housing Need

Jurisdiction Projected Housing Need

- Very low
- Low
- Moderate
- Above moderate

*How do the options
affect different jurisdictions?*

City A and City B

City A

- Urbanized
- Within County X
- Most of population is within an HQTAs
- Population: Appx. 65,000
- Higher concentration of lower income households than other parts of the county

City B

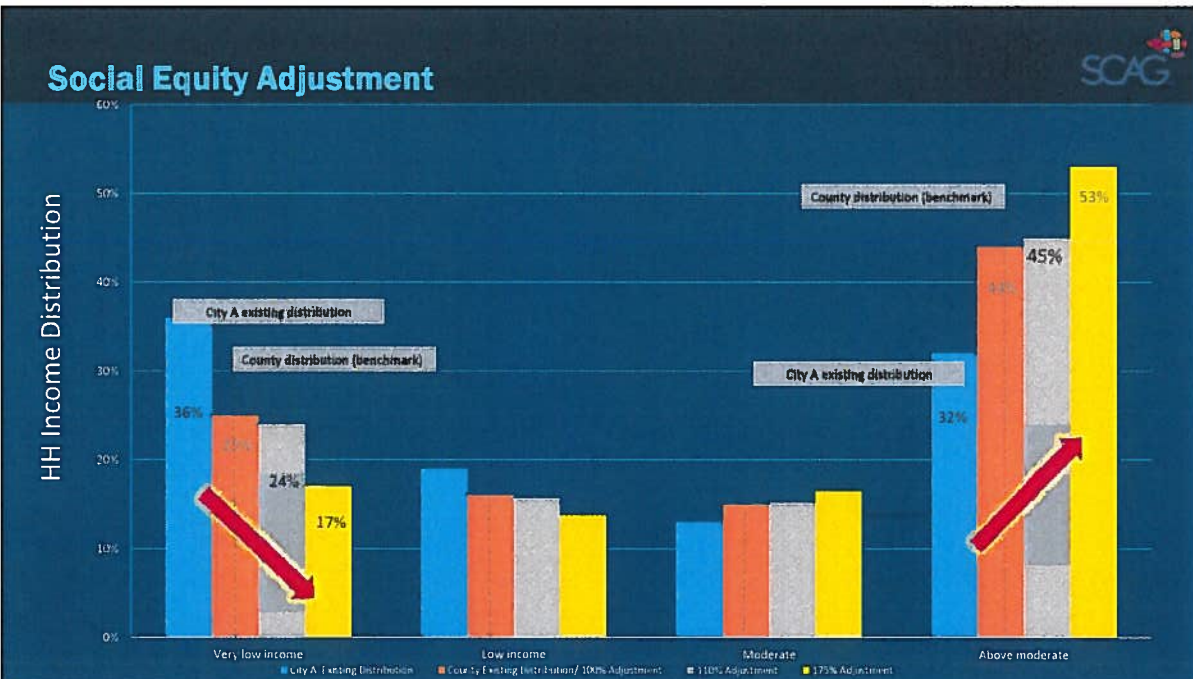
- Suburban community
- Within County Y
- No HQTAs within jurisdiction
- Population: Appx 65,000
- Higher concentration of high income households than other parts of the county


Option 1: Step 1 Existing Need

Example assumption: Regional existing need of 250,000

- 175,000 (70%) will be assigned based on population share
- 50,000 (20%) will be assigned based on population share within HQTAs
- 25,000 (10%) will be assigned based on share of recent regional permit activity in comparison to population

City A	Existing need	City B	Existing need
+Share of regional population (0.35%)	606	+Share of regional population (0.35%)	606
+Share of regional population within HQTAs (0.37%)	183	+Share of regional population within HQTAs (0%)	0
+Share of permit activity in comparison to population (1.10%)	280	+Share of permit activity in comparison to population (0.30%)	88
=Total existing need	1,069	=Total existing need	694






Option 1: Step 1 Existing Need

	Income Category	Very low	Low	Moderate	Above moderate	Total
City A	Current Distribution	30.1%	23.2%	17.6%	29.1%	100%
	After 110% adjustment	24.8%	14.8%	16.7%	43.6%	100%
	After 110% adjustment into 3 categories	44%	26.3%	29.7%	--	100%

	Income Category	Very low	Low	Moderate	Above moderate	Total
City B	Current Distribution	15.8%	12.2%	16.8%	55.2%	100%
	After 110% adjustment	24.5%	16.9%	18.5%	40.1%	100%
	After 110% adjustment into 3 categories	40.9%	28.3%	30.8%	--	100%



Option 1: Step 1 Existing Need

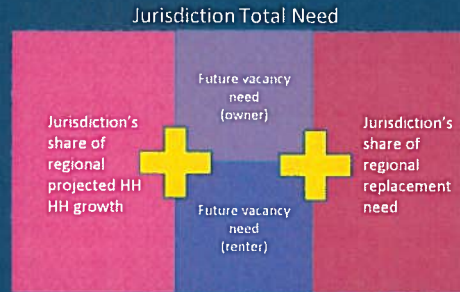
Existing housing need	City A	City B
Very low	459	318
Low	296	178
Moderate	315	198
Above moderate	--	--
Total	1,069	694

Option 1: Step 2 Projected Need



Projected need will be determined by three factors:

- Household growth
- Future vacancy need
 - By owner and renter
- Replacement need



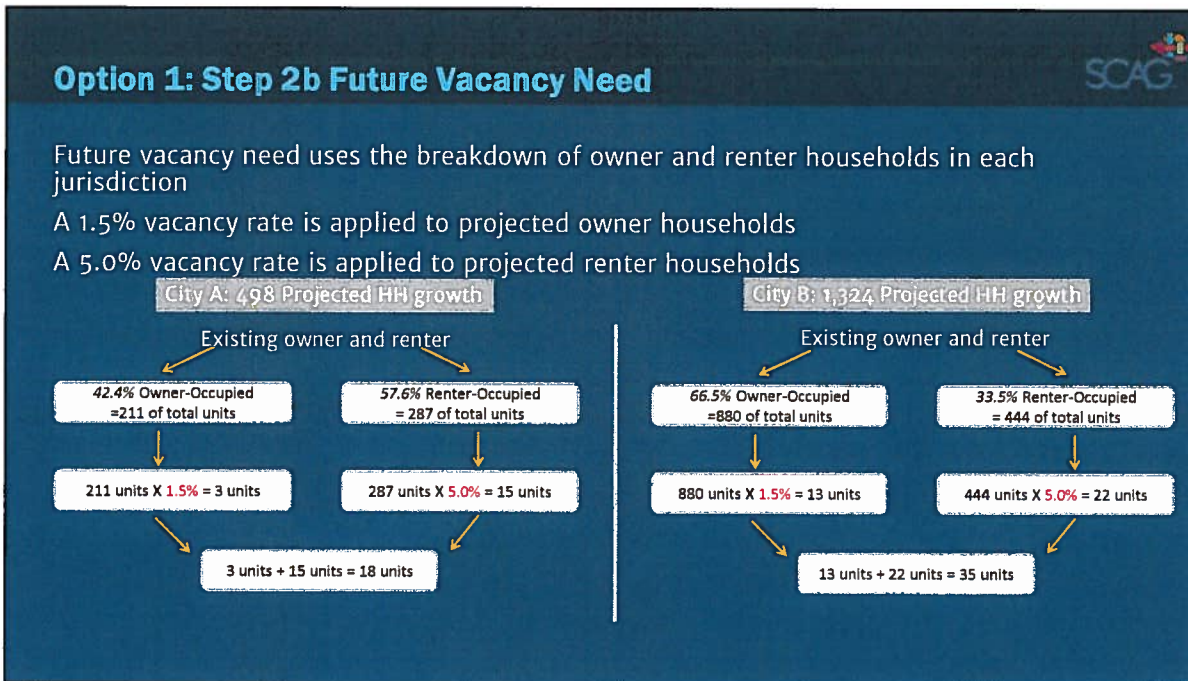
Option 1: Step 2a Household Growth



- A jurisdiction's share of regional household growth using local input as the basis

City A	
+Household growth (based on local input)	498

City B	
+Household growth (based on local input)	1,324




Option 1: Step 2c Replacement Need

- Jurisdictions will be assigned a replacement need based on their share of regional replacement need
- Share of regional replacement need was adjusted by replacement need survey results
- The final regional replacement need will be assigned after the regional determination process with HCD
- Some jurisdictions replaced all demolished units and have 0 replacement need.


City A		City B	
+Replacement need (based on adjustment from survey)	24	+Replacement need (based on adjustment from survey)	0

Option 1: Step 2 Projected Need



City A		City B	
+Projected household growth	498	+Projected household growth	1,324
+Future Vacancy Need	18	+Future Vacancy Need	35
+Replacement Need	24	+Replacement Need	0
=Projected housing need	540	=Projected housing need	1,359

Option 1: Step 2



	Income category	City A existing HH income distribution	County X existing housing distribution	150% adjustment
City A	Very low	30.1%	25.3%	22.9%
	Low	23.2%	15.6%	11.8%
	Moderate	17.6%	16.8%	16.4%
	Above moderate	29.1%	42.3%	48.9%

	Income category	City B existing HH income distribution	County Y existing housing distribution	150% adjustment
City B	Very low	15.8%	23.7%	27.7%
	Low	12.2%	16.5%	18.6%
	Moderate	16.8%	18.3%	19.1%
	Above moderate	55.2%	41.5%	34.6%

Option 1: Step 3 Total RHNA Allocation



	Very low	Low	Moderate	Above moderate	Total
City A					
Existing need	459	296	315	--	1,069
Projected need	130	60	83	266	540
Total RHNA	589	356	398	266	1,608

	Very low	Low	Moderate	Above moderate	Total
City B					
Existing need	318	178	198	--	694
Projected need	396	245	242	477	1,359
Total RHNA	713	423	440	477	2,053

Option 2



Example assumption: Regional need of 675,000

- 540,000 (80%) will be assigned based on population share
- 135,000 (20%) will be assigned based on population share within HQTAs

City A	Total need	City B	Total need
+Share of regional population (0.35%)	1,870	+Share of regional population (0.35%)	1,870
+Share of regional population within HQTAs (0.37%)	493	+Share of regional population within HQTAs (0%)	0
=Total need	2,363	=Total existing need	1,870

- Social equity adjustment: 150%

Option 3



- Based on population growth for selected horizon year
- Horizon year is selected based on horizon growth closest to HCD determination
- Example assumption: HCD provides a total of 800,000

City A	Total need
+Share of regional population growth (0.14%)	910
+Future vacancy need	32
+Share of replacement need	24
=Total existing need	966

City B	Total need
+Share of regional population growth (0.76%)	4,950
+Future vacancy need	132
+Share of replacement need	0
=Total existing need	5,082

- Social equity adjustment: 150%

A Comparison of Options



	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTAs from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Full Proposed RHNA Methodology



- Step by step guide to calculate a draft RHNA allocation in proposed methodology packet
- Online tool available to estimate draft RHNA allocation based on each option at www.scag.ca.gov/rhna
- Full survey responses available at www.scag.ca.gov/rhna

Next Steps



- Proposed RHNA methodology public hearings
 - August 15, 6-8pm Los Angeles
 - August 20, 1-3pm Los Angeles
 - August 22, 1-3pm Orange County
 - August 27, 6-8pm, Inland Empire
- Proposed RHNA methodology public information session
 - August 29, 1-3pm Santa Clarita

Next Steps



- RHNA Subcommittee Meeting to select a RHNA methodology
 - *Tentative: October 7*
- CEHD Special Meeting to select a RHNA methodology
 - *Tentative: October 21*
- Regional Council meeting to select a RHNA methodology
 - *November 7*
- Draft RHNA Methodology Review by HCD
 - *Fall 2019*

Public Comments



- Comments on any of the options, components, factors or alternative options
- Written and verbal comments can be provided at today's public hearing
- Comments can also be submitted to housing@scag.ca.gov by Friday, September 13, 2019 11:59 pm
- SCAG staff will review all submitted comments and post them online

For more information:
www.scag.ca.gov/rhna
Email: housing@scag.ca.gov

www.scag.ca.gov

