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A JOINT SPECIAL MEETING OF THE POLICY COMMITTEES

COMMUNITY, ECONOMIC & HUMAN
DEVELOPMENT (CEHD) COMMITTEE;
ENERGY AND ENVIRONMENT
COMMITTEE (EEC); AND
TRANSPORTATION COMMITTEE (TC)

Please Note Date and Time
Thursday, June 7, 2018
10:00 a.m. – 12:00 p.m.

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If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Meeting Agendas & Minutes are available at www.scag.ca.gov/committees

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SPECIAL MEETING OF THE POLICY COMMITTEES

AGENDA

Southern California Association of Governments
Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017
Thursday, June 7, 2018
10:00 a.m. – 12:00 p.m.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

- *The Honorable Alan D. Wapner, SCAG President*
- *The Honorable Peggy Huang, Chair of the Community, Economic and Human Development (CEHD) Committee*
- *The Honorable Linda Parks, Chair of the Energy and Environment Committee (EEC)*
- *The Honorable Curt Hagman, Chair of the Transportation Committee (TC)*

PUBLIC COMMENT PERIOD

Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Council, must fill out a Public Comment Card and present to the Clerk prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

PRESENTATION ITEMS

Page No.

- | | | |
|---|-------------------|-----------|
| 1. 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (2020 RTP/SCS)
<i>(Kome Ajise, Director of Planning; Jim Madaffer, Commissioner, California Transportation Commission)</i> | Attachment | 1 |
| 2. An Introduction to the Regional Housing Needs Assessment (RHNA)
<i>(Kome Ajise, Director of Planning; Paavo Monkkonen, Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs)</i> | Attachment | 14 |

ADJOURNMENT

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Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 1
June 7, 2018

To: Joint Policy Committees (CEHD, EEC and TC)

From: Kome Ajise, Director of Planning, 213.236.1835,
ajise@scag.ca.gov

Subject: 2020-2045 Regional Transportation Plan/Sustainable
Communities Strategy (2020 RTP/SCS)

EXECUTIVE DIRECTOR'S
APPROVAL



RECOMMENDED ACTION:

For Information Only – No Action Required.

EXECUTIVE SUMMARY:

SCAG staff will provide an overview of the framework for the development of the draft 2020 RTP/SCS.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians; Objective: a) Create plans that enhance the region's strength, economy, resilience, and adaptability by reducing greenhouse gas emissions and air pollution.

BACKGROUND:

Every four years, SCAG, as the Metropolitan Planning Organization (MPO) for the six-county region of Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial, is required by federal law (23 USCA §134 et seq.) to prepare and update a long-range (minimum of 20 years) Regional Transportation Plan (RTP) that provides for the development and integrated management and operation of transportation systems and facilities that will function as an intermodal transportation network for the SCAG metropolitan planning area. The process for development of the RTP takes into account all modes of transportation and is accomplished by a "continuing, cooperative and comprehensive" (the 3 C's) planning approach, which is also performance-driven and outcome-based. In addition, because the SCAG region is designated as nonattainment for ozone or carbon monoxide under the Clean Air Act (42 U.S.C. §7401 et seq.), the RTP must conform to applicable air quality standards.

The passage of California Senate Bill 375 (SB 375) in 2008 requires that an MPO prepare and adopt a Sustainable Communities Strategy (SCS) that sets forth a forecasted regional development pattern which, when integrated with the transportation network, measures, and policies, will reduce greenhouse gas emissions from automobiles and light duty trucks (Govt. Code §65080(b)(2)(B)). The SCS outlines certain land use growth strategies that provide for more integrated land use and transportation planning, and maximize transportation investments. The SCS is intended to provide a regional land use policy framework that local governments may consider and build upon.

Finally, the development of the RTP/SCS is subject to the California Environmental Quality Act (CEQA). Therefore, SCAG also prepares a Program Environmental Impact Report (PEIR) for the RTP/SCS that evaluates the potential environmental impacts associated with the Plan.

On April 7, 2016, SCAG's Regional Council adopted the 2016 RTP/SCS, and in June 2016, SCAG received its conformity determination from the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) indicating that all air quality conformity requirements for the 2016 RTP/SCS and associated 2015 FTIP Consistency Amendment through Amendment 15-12 were met.

To comply with federal and state requirements, starting in 2017, SCAG began laying the groundwork for development of the 2020 RTP/SCS, with the new planning horizon year of 2045. At the June 7, 2018 Joint Policy Committee meeting, SCAG staff will provide an overview of the framework for development of 2020 RTP/SCS, including highlights from the 2016 RTP/SCS, emerging policy issues, and a schedule for development of the 2020 RTP/SCS. Attached to this staff report is a presentation that will be used to facilitate this discussion.

Commissioner James Madaffer of the California Transportation Commission will also provide policy context from a subject matter expert perspective for future discussion of integration of innovative and disruptive technologies into SCAG's future planning processes.

Next Steps

Over the course of the next several months, SCAG staff will be presenting to the Regional Council and the Policy Committees in either a joint meeting setting or individual committee meetings key issues, analyses, and policy considerations for development of the 2020 RTP/SCS leading up to the approval to release of the draft 2020 RTP/SCS for formal public review and comment in Fall 2019. SCAG staff will document all formal public comments, prepare responses to each of the comments, and make necessary adjustments to the draft 2020 RTP/SCS in response to the comments, culminating in the presentation of the proposed Final 2020 RTP/SCS for review and adoption by the Regional Council in April 2020.

FISCAL IMPACT:

Budgets for all anticipated activities associated with the development of the 2020 RTP/SCS are reflected in the FY18 as well as FY19 budgets.

ATTACHMENT/S:

PowerPoint Presentation: 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (2020 RTP/SCS) Presentation

2020-2045 Regional Transportation Plan/ Sustainable Communities Strategy (2020 RTP/SCS)

Joint Policy Committees

Kome Ajise
Director of Planning
June 7, 2018



What is an RTP/SCS?



- Long-term vision and investment framework
- Federal Requirements
 - Updated every 4 years to maintain eligibility for federal funding
 - Long Range: 20+ years into the future
 - Financially-constrained: Revenues = Costs
 - Passes regional emission standards
 - Outreach and EJ requirements
 - FTIP must be consistent with RTP
- State Requirements (SB 375)
 - Integrated regional development pattern and transportation network
 - Must meet GHG reduction targets for passenger and light/medium duty vehicles



What is included in an RTP/SCS?



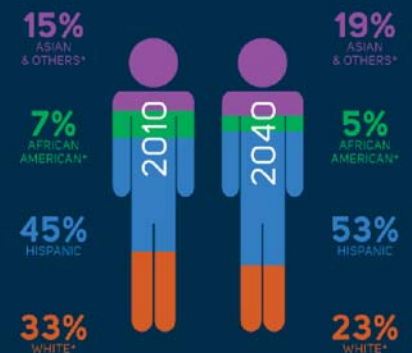
- Vision, Goals, Policies, & Performance Measures
- Growth/Demographic Forecasts
- Financial Plan
- Strategies
- List of Projects
- Performance Analysis



Why update the RTP/SCS?



- Align with major trends in economy, demographics, & technology
- Reflect the most up to date transportation investments
- Update financial plan to reflect new revenues and latest costs
- Comply with new requirements such as the performance based planning approach called for by MAP-21/FAST Act
- Adjust/update SCS strategies to address new GHG targets and related California climate goals



* From Hispanic 1 Source: US Census Bureau, 2010

What's different this time?

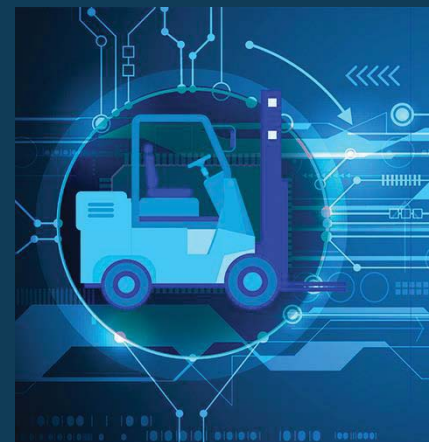


- More aggressive GHG target (19% vs. 13% in 2016)
- MAP-21/FAST Act performance measures & target setting
- Two New Federal Planning Factors:
 - Improving resiliency and reliability of transportation system & reducing or mitigating stormwater impacts of transportation
 - Enhancing travel and tourism
- More outreach
- Activity-based model implementation
- Coordination with Regional Housing Needs Assessment (RHNA)
- Ever changing and fast paced technology & innovation landscape

2016 RTP/SCS Highlights



- Strategic Investments to Relieve Congestion
- Rail Expansion
- Short Trip Strategies to Promote Walking, Bicycling, Transit, and Neighborhood Electric Vehicles (NEVs)
- Strengthens Health of Our Communities
- Sustainable Land Use Strategies to Reduce GHG (e.g., Livable Corridors, Neighborhood Mobility Areas)
- Goods Movement/Logistics Industry Investment
- Economic Development (Jobs)



2016 RTP/SCS Financial Plan



Note: Numbers may not sum to total due to rounding

2016 RTP/SCS Regional Performance



2020 RTP/SCS Policy Focus Areas



- Climate Adaptation
- Active Transportation
- Transit Ridership
- Regional Freight Strategies
- Long-Term Funding Strategies
- Big Data Sharing, Robots/AI, System Optimization, & Universal Basic Income (UBI)
- Resiliency and System Preservation
- Transportation Safety
- Public Health Strategies
- Housing Shortage/Gentrification pressures
- Implications of Changing Demographics
- Implications of Emerging New Technologies
- Low Carbon Fuel

Policy Focus Area: Sustainable Communities Strategy



- SCS is a Core Element of the Plan
- Per Capita GHG Reduction Target : **19%**
- Scenarios help us evaluate different land use and transportation futures
- Engagement Opportunities:
 - May 2018: Sustainable Communities Working Group
 - Fall 2018: Public Outreach
 - Spring/Summer 2019: Workshops

Policy Focus Area: Regional Climate Adaptation Framework



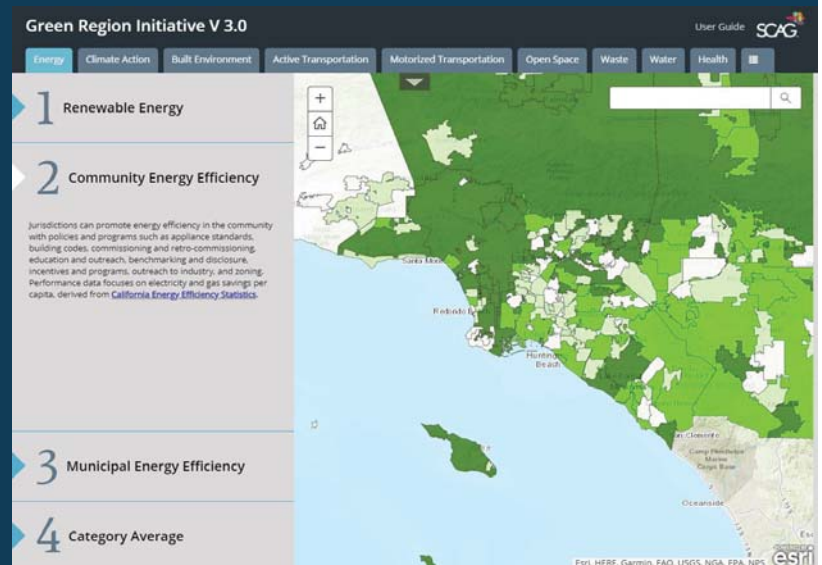
- Awarded \$964,000 for regional framework
 - Climate adaptation communication strategies, guides, & templates for MPOs & cities
 - Climate adaptation screening & analysis guides
 - Template climate adaptation language for General Plan Updates
- Will include extensive outreach
- Largest adaptation effort in the State



Policy Focus Area: Green Region Initiative



- Jurisdiction-level Sustainability Indicators
- Natural Lands
 - Habitat & Agricultural Lands Conservation Working Group
 - Regional Greenprint: Mapping habitat and ag data to help prioritize lands for conservation
- 2050 Greenhouse Gas (GHG) Pathways Study Results



Policy Focus Area: Active Transportation and the New Complete Streets



- Accommodating rise in Electric Bikes and Scooters, Folding Bikes, NEVs
- Ensuring Bicyclist/ Pedestrian Safety with Autonomous Vehicles
- How to increase Network Quality, Density, Directness, Completeness
- How to coordinate Multi-Jurisdictional Implementation of Active Transportation Projects



Policy Focus Area: Transit/Rail/TDM Planning Studies



ADA Paratransit
Demand Forecast



Transportation Demand
Management Strategic
Plan



Integrated Passenger
and Freight Rail
Forecast

Policy Focus Area: Technological Innovations



- Autonomous vehicles
- Semi-automated drive modes
- Connected vehicle technologies
- Clean energy vehicles
- Neighborhood Electric Vehicles (NEVs)
- Ride sharing/sourcing
- Travel planning apps
- Urban mobility platforms
- Unmanned aerial vehicles/drones
- E-commerce



Policy Focus Area: Goods Movement Planning Studies



Last-Mile Delivery Strategies



Supply Chains, Data & Emerging Technologies

Policy Focus Area: Transportation Finance Studies



Mobility Innovations &
Incentives



Public Asset Valuation &
Management

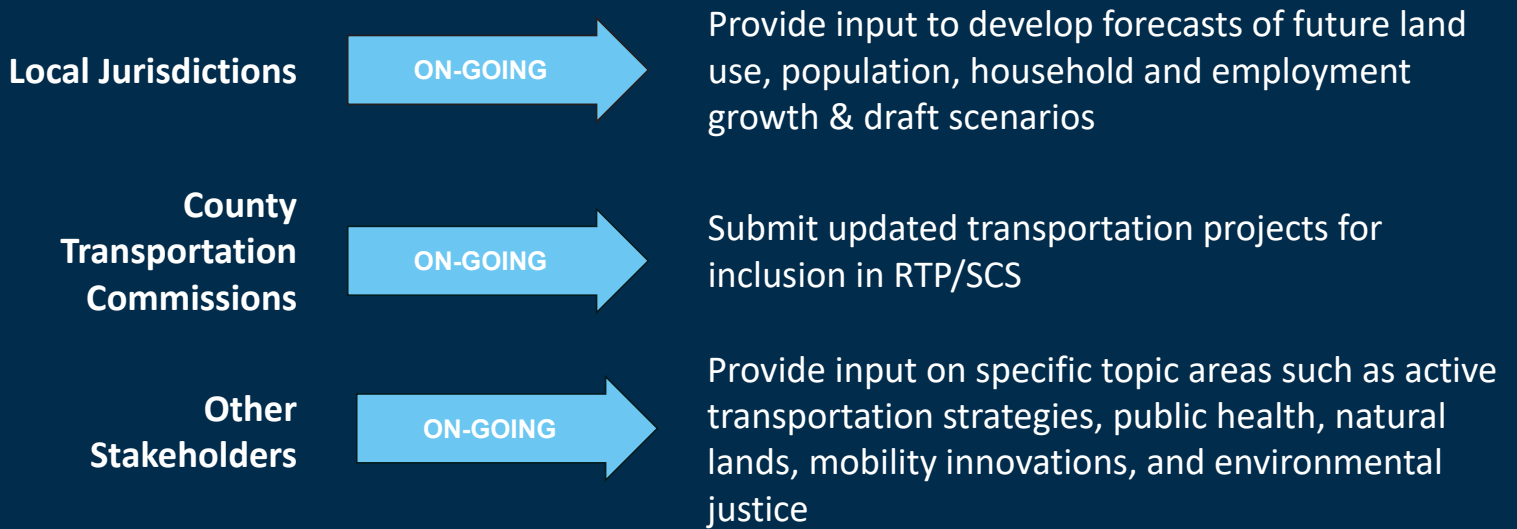
RTP/SCS Key Questions: What kind of future?



- What type of **transportation network** should we have?
- How should be prioritizing our **limited transportation revenue**?
- How bold should we be in identifying **new revenue sources** or rethinking our current funding structure?
- Where should **new growth** be located?
- How can we best **balance** mobility, public health, natural systems, and economic development?
- What can we **achieve together** that we cannot achieve as individual cities or counties?
- **What do community members view as important for a bright and sustainable future?**



Bottom Up Planning Process



2020 RTP/SCS Timeline



Upcoming Joint Policy Committee Meetings



September 2018

- Review and provide feedback on Sustainable Communities Strategy framework
- Review and provide feedback on 2020 RTP/SCS Goals and Guiding Policies



November 2018

- Review and provide feedback on Environmental Justice Framework

Thank you

Kome Ajise

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Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 2
June 7, 2018

To: Joint Policy Committees (CEHD, EEC and TC)

EXECUTIVE DIRECTOR'S
APPROVAL

From: Kome Ajise, Director of Planning

Subject: An Introduction to the Regional Housing Needs Assessment
(RHNA)



RECOMMENDED ACTION:

For Information Only - No Action Required

EXECUTIVE SUMMARY:

California State housing law requires that each jurisdiction plan for future housing need as represented by its RHNA allocation. The last RHNA cycle for SCAG, also known as the 5th RHNA cycle, was completed in October 2012. Per State housing law, the RHNA process is divided into four (4) main steps: the regional housing need determination by the California Department of Housing and Community Development (HCD), development of the allocation methodology, distribution of the draft RHNA allocation and revision requests/appeals by local jurisdictions, and development of the final RHNA allocation. The next RHNA cycle, also known as the 6th cycle, will cover the planning period October 2021 through October 2029, and will be adopted at the latest by October 2020. SCAG staff will continue to increase its outreach efforts to jurisdictions and stakeholders to maximize opportunities for participation and input throughout the process.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan; Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy; Objective A: Cultivate dynamic knowledge of the major challenges and opportunities relevant to sustainability and quality of life in the region.

BACKGROUND:

As the Council of Governments (COG) for the six-county SCAG region, SCAG is responsible for developing the Regional Housing Needs Assessment (RHNA), which is a requirement under California housing law. The RHNA allocation, as currently written, represents future housing need for every jurisdiction (city and county) for a specified time period. It is important to note that while the RHNA allocation is a quantification of housing need, it is only one component of addressing the challenges of the statewide housing crisis.

Government Code 65584 outlines the four main 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

A RHNA planning cycle is 8 years. Senate Bill 375 (2008) synced the RHNA cycle with the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) cycle so that a RHNA allocation would be adopted with every other RTP/SCS process. The most recent RHNA, also known as the 5th RHNA cycle, was completed by SCAG in October 2012 and covers the planning period October 2013 through October 2021. The next RHNA cycle, or the 6th cycle, must be completed by October 2020 and will cover the planning period October 2021 through October 2029.

Subsequent to receiving their RHNA allocations, jurisdictions are required to update their housing element in their General Plans, which should demonstrate through sites and zoning analysis how the jurisdiction will accommodate the future housing need as determined by the RHNA allocation. Housing elements are reviewed by HCD, which determines whether or not it is in compliance with State housing law. Fifth cycle housing elements were due in October 2013 while 6th cycle housing elements will be due in October 2021.

To begin the process, the SCAG sends a letter notifying HCD of SCAG’s intended adoption date of the RTP/SCS. The reason for this is that the housing element due date is no later than 18 months from the adoption date of the RTP/SCS. Almost all RHNA key deadlines are then determined using the housing element due date.

The general RHNA process is as follows:



HCD Regional Determination

HCD is responsible for providing a regional housing need determination, in addition to existing housing need, for each COG for the corresponding planning period. HCD bases its regional determination by starting with population projections produced by the California Department of Finance (DOF) and the forecast used by the COG in preparation for its RTP. If the difference between the total RTP forecast is within 1.5% of the DOF forecast, HCD will use the RTP forecast as the basis. If the difference is more, HCD and the COG meet to discuss variances in methodology, though if no agreement is reached State law requires the use of DOF projections.

In addition to population projections, the COG provides various socioeconomic and demographic data as part of HCD's consultation process, including:

- Anticipated household growth
- Household size
- Overcrowding
- Household formation rates based on socioeconomic variances
- Vacancy rates of existing housing stock
- Jobs housing relationship

While it is the population projection and not household projection that is used initially, HCD determines household projections by applying household formation rates and other factors to ultimately determine the regional housing need.

For the 5th cycle, the final regional RHNA determination was completed by HCD in August 2011 and instead of one total RHNA determination, HCD provided a range of 409,060 to 438,030 total units for the 5th RHNA cycle.

RHNA Subcommittee

The Regional Council established a RHNA Subcommittee to guide the RHNA process for the 4th and 5th cycles. The RHNA Subcommittee convened between 2011 and 2012 to review and make recommendations on RHNA policy and methodology. Twelve Subcommittee members (one primary and one alternate from each SCAG county) were appointed by the SCAG President. In addition to recommending the methodology, the RHNA Subcommittee was also responsible for reviewing and determining revision requests and appeals on the draft RHNA allocation, along with recommending the final approval of the RHNA allocation plan.

Methodology

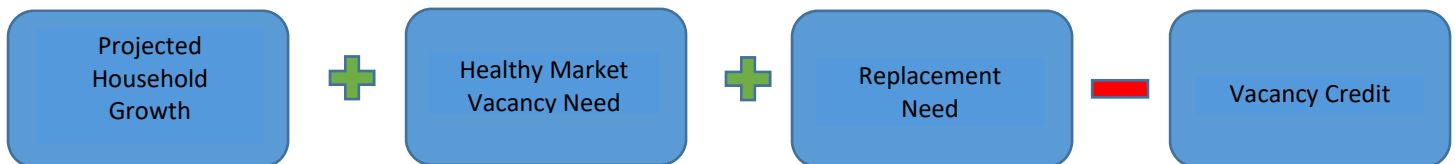
Once a regional housing need determination is provided by HCD, SCAG is responsible for developing a methodology that will determine an individual jurisdiction's RHNA allocation. In current State law, HCD is not explicitly involved in the development or application of RHNA methodology as long as the adopted final regional RHNA allocation by income category is the same as the regional determination provided by HCD.

SCAG is required to develop a proposed methodology at least two (2) years before the housing element due date. No more than 6 months before this proposed methodology development, SCAG must survey all jurisdictions on their local planning factors (also known as “AB 2158 factors” due to the 2006 eponymous bill). The factors are listed in statute and include planning factors and constraints such as jobs housing relationship, infrastructure limitations outside a jurisdiction’s control, county policies to preserve agricultural or open space, and high housing costs. SCAG may also include other factors as part of the survey. At least one public hearing is required to receive verbal and written input on the methodology, and State law encourages the COG to reach out to a variety of stakeholders to participate in the process.

For the 5th RHNA cycle, SCAG surveyed its local jurisdictions in June 2011, and SCAG held two public hearings on the proposed RHNA methodology in Fall 2011. Each component of the methodology was reviewed at different times by the RHNA Subcommittee and then later reviewed altogether prior to recommendation to the CEHD Policy Committee and Regional Council for adoption. The final RHNA methodology was adopted by the Regional Council in November 2011.

Formula

For SCAG’s 5th RHNA cycle, a formulaic approach was adopted. To reach a total draft RHNA allocation, the following formula was used:



Projected household growth: The projected household growth was the largest component of a RHNA allocation for the 5th cycle. This number is conducted through the local input and growth forecasting process. For the 5th cycle, input submitted from jurisdictions that were different from the SCAG peer-reviewed data were accepted “as-is” per the direction of the Regional Council. However for the 6th cycle, input that differs from SCAG projections will also need to be accompanied by appropriate documentation to justify the submitted revisions.

Healthy market vacancy need: This is a fixed percentage that is determined as part of the regional determination process and for the 5th cycle was applied to the projected household growth. The purpose of this component is to ensure there is enough vacant units to support the projected household growth for the jurisdiction.

Replacement need: Housing units that are demolished due to reconstruction/renovation, fire, and other natural disasters must be replaced to ensure that projected household growth is maintained.

Vacancy credit: Due to market conditions at the time of the regional determination process, HCD granted SCAG a credit based on vacant units. The 5th cycle methodology used Census data to determine the

number of vacant units and apportioned the regional credit accordingly. The credit will not be available in the 6th cycle.

Social equity adjustment: After the determination of a draft RHNA allocation, the total number was divided into four income categories, as shown in the table below:

Income Category	Percentage Range of County Median Income
Very Low Income	Less than 50%
Low Income	50-80%
Moderate Income	80-120%
Above Moderate Income	Above 120%

To ensure that the RHNA process is consistent with the State housing goal of ensuring that communities that have a high concentration of an income category are not burdened with more of the same, a social equity adjustment was applied. Also known as the “110% adjustment”, a jurisdiction’s current distribution was compared to the county distribution. The formulaic comparison of 110% was then applied to the distributions to ensure that there was not an overconcentration of households for low income groups where they already exist.

Conceptually, a jurisdiction that has a higher concentration of low income households compared to the county would end up with a lower distribution percentage of low income households for their RHNA allocation compared to the county. A jurisdiction with a lower concentration of low income households compared to the county would end up with a higher distribution post-adjustment. The same concept would occur when determining above moderate income household distribution. A lower income jurisdiction would have a higher post-adjustment distribution compared to the county distribution while a wealthier jurisdiction would have a lower distribution.

Once these new percentages were determined, they were applied to the jurisdiction’s total RHNA allocation to determine the number of units needed for each RHNA income category. A sample of how a RHNA allocation and the income category adjustment was determined for the 5th RHNA cycle is included in the PowerPoint attachment to this report.

There are several different methodologies to determine equity distribution for each income category and SCAG staff will provide different ways to address social equity and distribution as part of the development of the 6th cycle RHNA methodology.

Draft Allocation

After the methodology is adopted by the Regional Council, it is applied to the regional determination to calculate each jurisdiction’s draft RHNA allocation. The 5th cycle draft allocation was distributed in March 2012.

Draft RHNA/Revision request and appeals

Per State housing law, jurisdictions may submit a revision request and/or appeal of their draft RHNA allocation. While both processes are reviewed and determined by the RHNA Subcommittee, there are some slight nuances:

	Revision Request	Appeal
Basis of Filing	Local planning factors only	Local planning factors, change of circumstance, RHNA methodology
Result of Successful Filing	Deducted from the regional RHNA total (assuming a range of units given)	Must be reallocated back to the region on a proportional basis

The RHNA Subcommittee reviews each jurisdiction's requests in either a public meeting or hearing and the corresponding staff report supporting or denying the request or appeal. A recent addition to State housing law requires that a revision request be consistent with the development pattern of the Sustainable Communities Strategy (SCS).

Jurisdictions can file for both a revision request and appeal of their draft RHNA allocation. A total of seventeen (17) jurisdictions filed either a revision request, appeal, or both for the 5th RHNA cycle. Of these, only two (2) revision requests were granted, totaling 544 units.

Final RHNA

After the RHNA Subcommittee hears all revision requests and appeals and revises the RHNA allocations accordingly, a proposed final RHNA allocation is released. Within 45 days, SCAG is required to hold a public hearing to adopt a final RHNA allocation. Once adopted, SCAG is required to submit its final RHNA allocation plan to HCD. SCAG adopted its final RHNA allocation in October 2012. For the 6th cycle, based on an April 2020 RTP/SCS adoption, the latest final RHNA adoption date is October 2020.

Housing Elements

A jurisdiction is required to revise its housing element to the corresponding RHNA cycle to accommodate its allocated future housing need. Jurisdictions may begin to plan for their RHNA allocation when the draft RHNA allocation is distributed. HCD is responsible for reviewing submitted housing elements and determining compliance with State housing law. For the 5th cycle, housing elements were due October 15, 2013. Sixth cycle housing elements, based on an April 2020 RTP/SCS adoption date, will be due in October 2021.

RHNA Reform

Subsequent to the adoption of the 5th RHNA cycle, SCAG formed a RHNA and Housing Element Reform Subcommittee to address concerns raised during the process. The Reform Subcommittee discussed a wide range of issues and included reforms related to the calculation of affordable housing needs, the revision request and appeals process, housing element development and review, and funding. Recommendations on these issues were made by the Subcommittee to the CEHD Committee and then recommended for approval by the Regional Council, which adopted these recommendations in May 2015.

While some of these reforms cannot be addressed until the housing element stage, a number of reforms that were approved will be implemented by SCAG for the 6th RHNA cycle. SCAG staff will update the CEHD Committee and RHNA Subcommittee for the 6th cycle in the coming months on the

recommendations of the Reform Subcommittee as well as the status of the Reform Subcommittee’s recommendations and next steps.

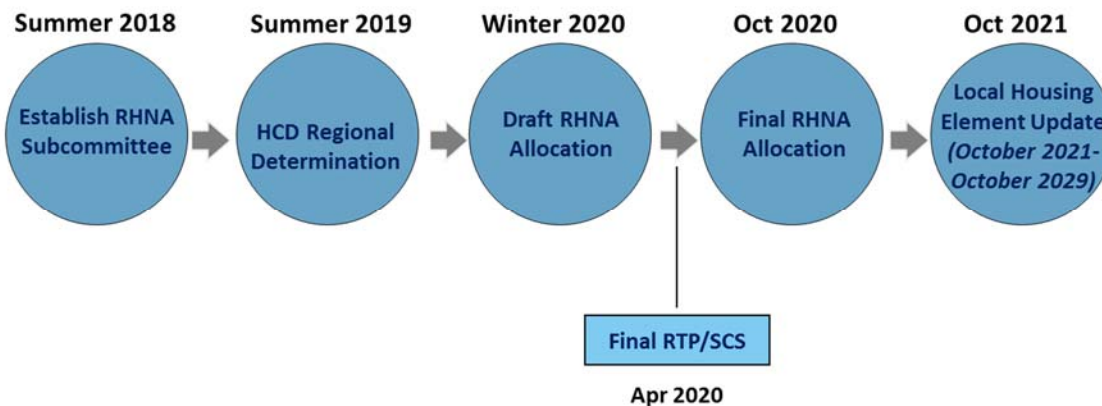
Outreach and Opportunities for Public Participation

A successful RHNA process requires an extensive outreach and participation process and SCAG will ensure that elected officials, jurisdictions, and the general public are informed of the RHNA process and its opportunities to participate. All RHNA Subcommittee meetings are public and SCAG staff is researching web-based opportunities to maximize participation. SCAG staff is also reviewing different formats to engage stakeholders and receive input, such as workshops and subregional-based meetings. Stakeholders will be informed of meetings and key milestones through the RHNA email distribution list and are encouraged to provide input at all stages of the RHNA process.

6th RHNA Cycle and Next Steps

Currently SCAG is beginning the process for the 6th RHNA cycle, which must be adopted by October 2020 and will cover the planning period October 2021 through October 2029. The local input process is presently underway and at the time of the writing of this report, SCAG staff has individually met over 70 percent of its 197 jurisdictions as part of the local input process. Local input from jurisdictions, which will be used as the starting point for a RHNA allocation, will be due by October 1, 2018.

Below is a general timeline of key milestones for the 6th RHNA cycle:



Due to market conditions and recently passed legislation, which includes new factors to consider such as overcrowding, the 6th RHNA allocation is expected to be higher than the allocation from the 5th cycle. Moreover, pending legislation such as SB 828 propose to include additional factors such as unmet need as part of the RHNA allocation, which will substantially increase the RHNA allocation for many jurisdictions. It is premature at this point in the process to determine exactly by how much the RHNA allocation will increase for each jurisdiction, but SCAG is committed to ensuring that the allocation is accurate in reflecting housing need across the region and that the process is fair and transparent.

The SCAG President will appoint members of the RHNA Subcommittee in the next few months and it is anticipated that the Subcommittee's first meeting will be held by Fall 2018. After the establishment of the RHNA Subcommittee, SCAG staff will begin to review RHNA process and policy for the 6th cycle for further Subcommittee recommendation.

In addition to a brief staff presentation on RHNA at the June 7, 2018 Joint Policy Committee meeting, there will also be a presentation by Associate Professor Paavo Monkonnén from the University of California, Los Angeles Luskin School of Public Affairs. Professor Monkonnén, who is also the Vice Chair of the Department of Urban Planning, will present on the housing crisis and the critical need of increasing housing supply and affordability.

FISCAL IMPACT:

Work associated with this item is included in the Fiscal Year 2017-2018 Overall Work Program (800-0160.03: General Fund).

ATTACHMENT:

PowerPoint Presentations:

1. An Overview of RHNA by Kome Ajise
2. Housing Southern California by Professor Paavo Monkonnén

An Overview of the Regional Housing Needs Assessment (RHNA)

Kome Ajise

Planning Director

June 7, 2018



What is the Regional Housing Needs Assessment (RHNA)?

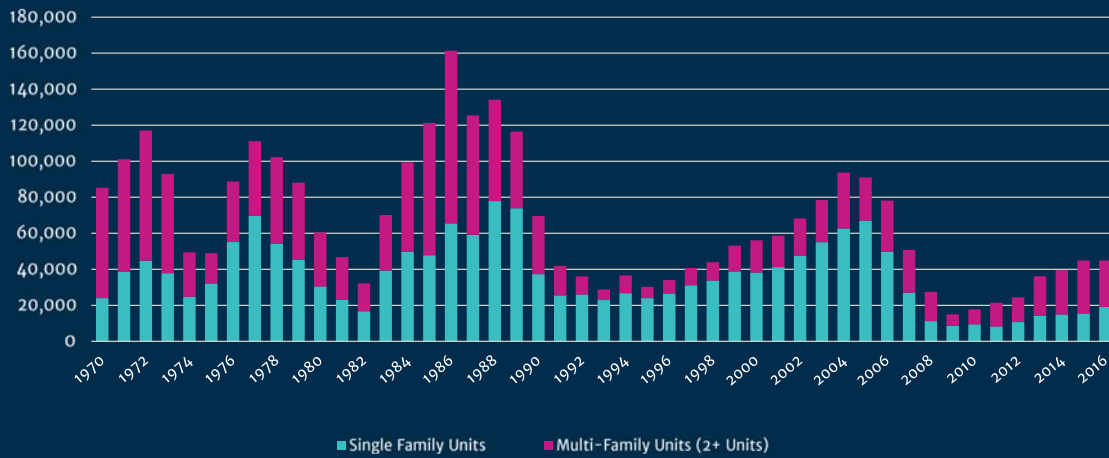


- A state housing law requirement to determine regional housing need and then allocate among local jurisdictions by income categories every 8 years (last one was 2012)
- HCD establishes regional housing need in consultation with SCAG
- SCAG develops housing need allocation in consultation with local jurisdictions
- Housing Elements are then updated to reflect RHNA allocation within jurisdictions

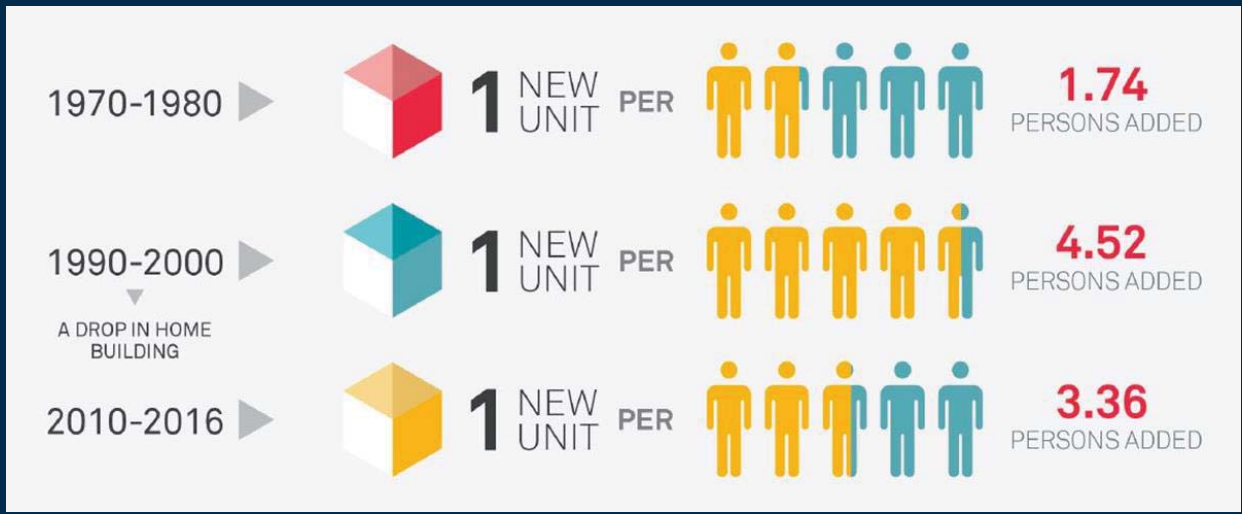
The Housing Crisis is Caused by a Lack of Housing Supply



Building Permits, SCAG Region 1970-2016



The Purpose of RHNA

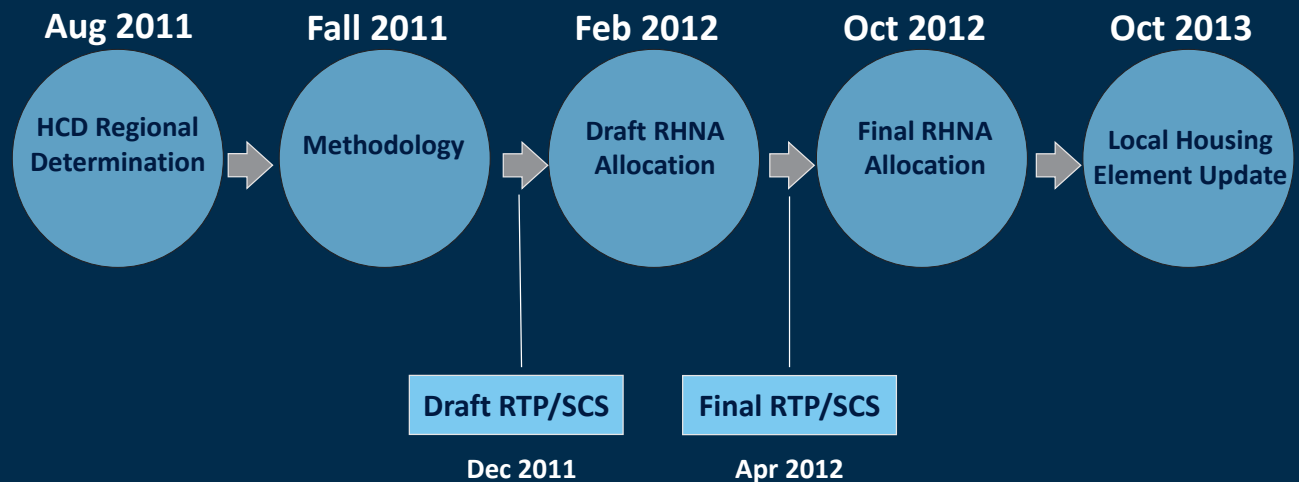


5th Cycle RHNA



- Planning Period
 - October 2013–October 2021
- Final regional determination for the 2012 RHNA: 412,137

5th Cycle RHNA Process



5th Cycle RHNA Methodology



- Total RHNA Allocation =
 - + Projected household growth
 - + Healthy market vacancy need
 - + Housing replacement need
 - Excess vacancy credit
- 110% social equity adjustment applied using the median county income

5th Cycle RHNA Methodology: City A



+ Projected household growth	1,293
+ Healthy market vacancy need	38
+ Housing replacement need	121
- Excess vacancy credit	56
=Total RHNA Allocation	1,397

RHNA Household Allocation: Adjusted for Equity



Existing Conditions:

Household Income Level	City A	County Distribution
Very Low Income	12.5%	25.3%
Low Income	8.3%	15.6%
Moderate Income	13.3%	16.8%
Above Moderate Income	65.9%	42.3%



After Equity Adjustment:

Household Income Level	City A Adjusted Distribution	Final RHNA Allocation (units) = 1,397
Very Low Income	26.5%	372
Low Income	16.4%	223
Moderate Income	17.1%	238
Above Moderate Income	40.0%	564

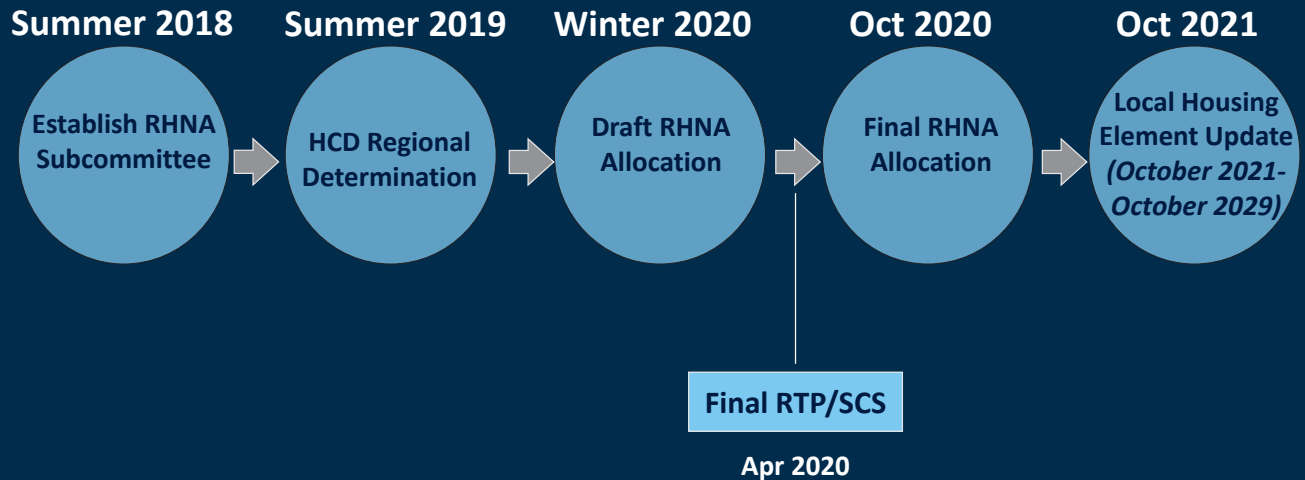
6th RHNA Cycle



The next Regional Housing Need Determination is expected to be higher!

- Market conditions have changed
- Recent legislation required additional factors to be considered
 - Overcrowding
- Pending legislation may require additional factors
 - Unmet need from prior RHNA allocation

6th RHNA Cycle and Beyond



Next Steps



- RHNA Subcommittee
 - Kickoff meeting: Fall 2018
- Local Input
 - Input deadline: October 1, 2018
- Updates from RHNA Reform Subcommittee
 - Upcoming CEHD meeting

SB 2 (Atkins): Building Homes and Jobs Act

- Assesses a \$75 fee on real estate transactions
- Expected to raise \$250 million statewide annually
- \$ directly to local governments, HCD and affordable housing fund

SB 3 (Beall): Veterans and Affordable Housing Bond Act

- Authorizes a \$4 billion bond ballot measure in November 2018
- \$3 billion would finance existing housing programs, \$1 billion set aside for veteran housing assistance
- Similar to Proposition 1C (2006)

Thank you

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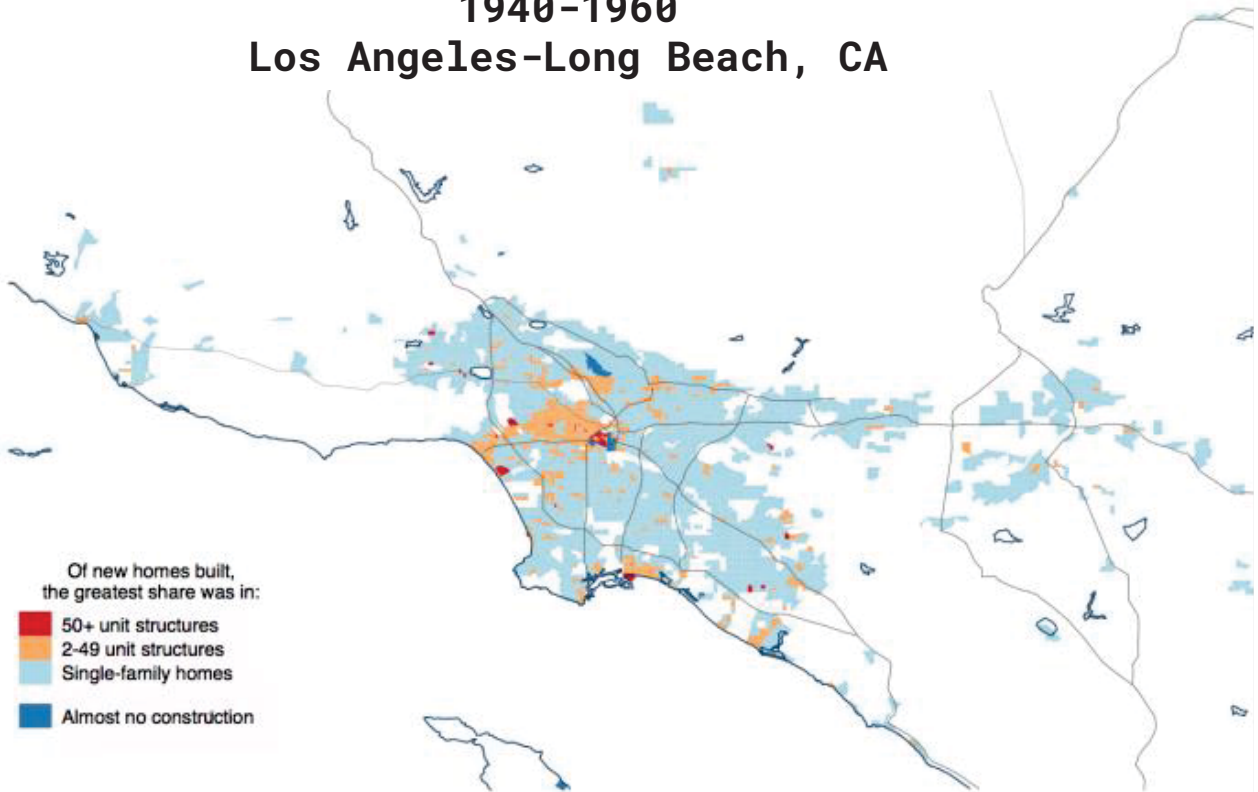


Housing Southern California

Paavo Monkkonen, UCLA

- 1. Southern California building trends**
- 2. RHNA allocations within SCAG**
- 3. Household formation is a bad metric**
- 4. Why more housing in Culver City?**
- 5. The upside of 'upzoning'**

Dominant type of New Housing Built 1940-1960 Los Angeles-Long Beach, CA

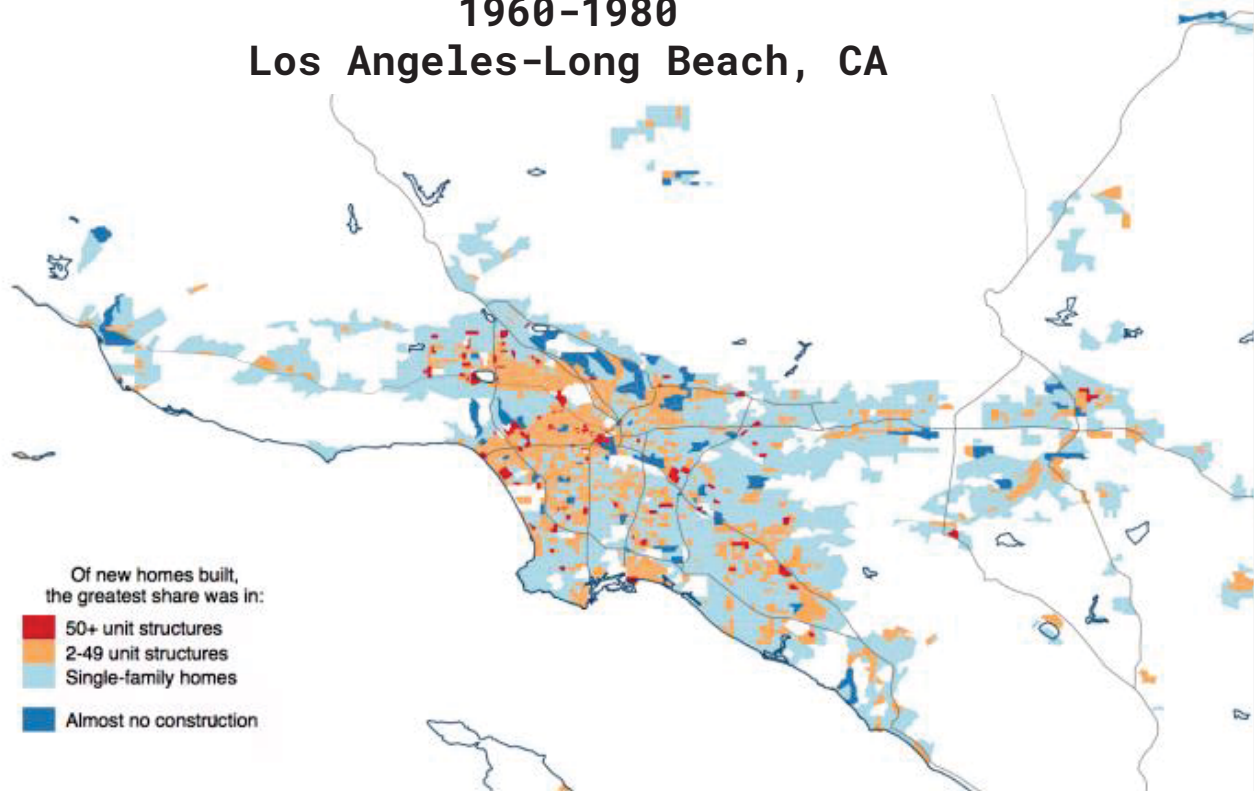


Source: BuildZoom; Census (2012-2016 5-year ACS).

Notes: Residentially-developed areas include Census tracts with more than 200 currently existing homes per square mile at the end of the period. An area is defined as having "almost no construction" if its net addition of new homes is less than 0.1 new homes per acre per decade.

<https://www.buildzoom.com/blog/pockets-of-dense-construction-in-a-dormant-suburban-interior>

Dominant type of New Housing Built 1960-1980 Los Angeles-Long Beach, CA

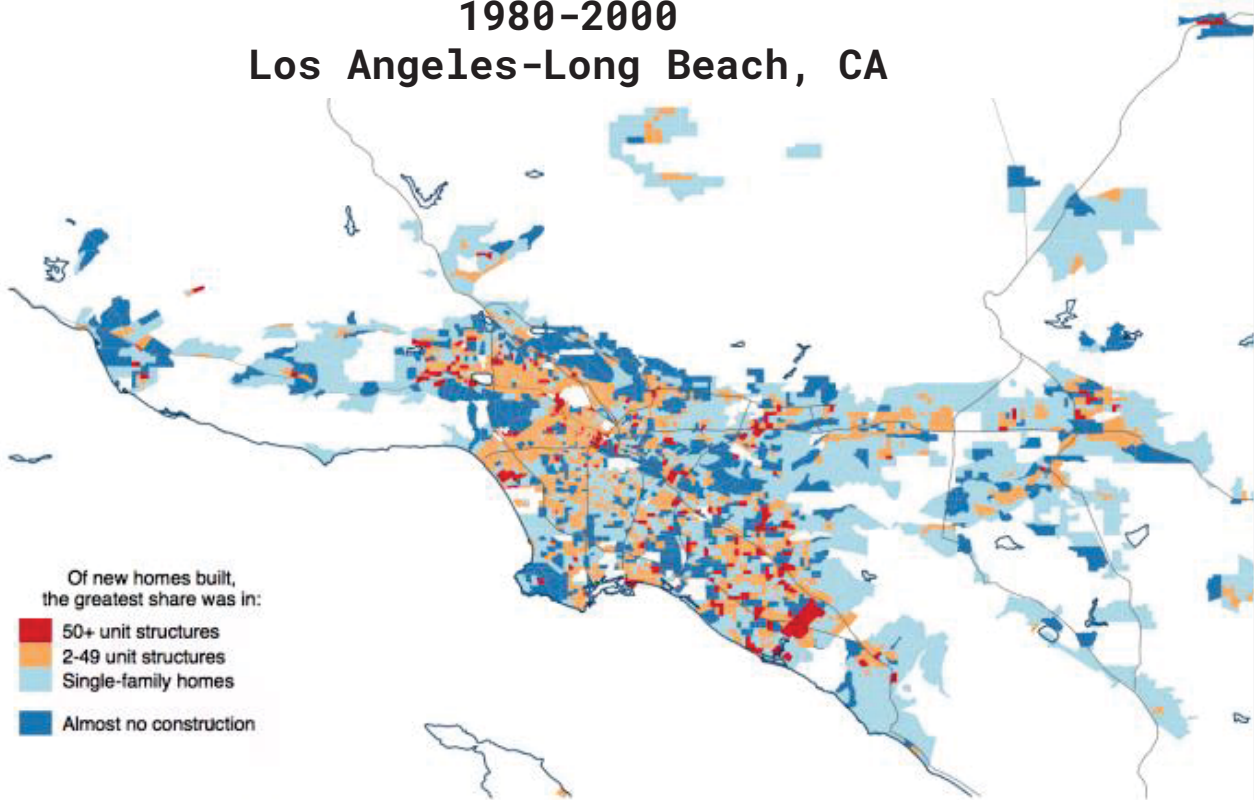


Source: BuildZoom; Census (2012-2016 5-year ACS).

Notes: Residentially-developed areas include Census tracts with more than 200 currently existing homes per square mile at the end of the period. An area is defined as having "almost no construction" if its net addition of new homes is less than 0.1 new homes per acre per decade.

<https://www.buildzoom.com/blog/pockets-of-dense-construction-in-a-dormant-suburban-interior>

Dominant type of New Housing Built 1980-2000 Los Angeles-Long Beach, CA

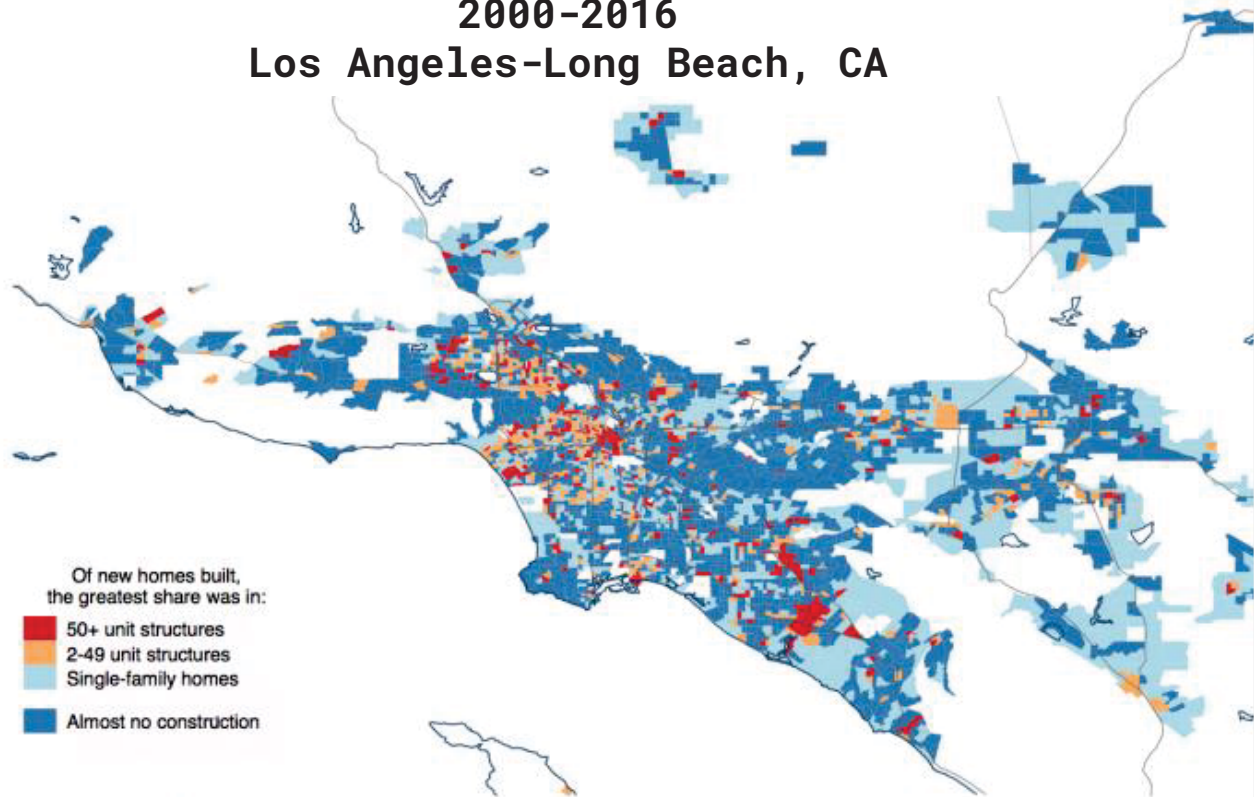


Source: BuildZoom; Census (2012-2016 5-year ACS).

Notes: Residentially-developed areas include Census tracts with more than 200 currently existing homes per square mile at the end of the period. An area is defined as having "almost no construction" if its net addition of new homes is less than 0.1 new homes per acre per decade.

<https://www.buildzoom.com/blog/pockets-of-dense-construction-in-a-dormant-suburban-interior>

Dominant type of New Housing Built 2000-2016 Los Angeles-Long Beach, CA

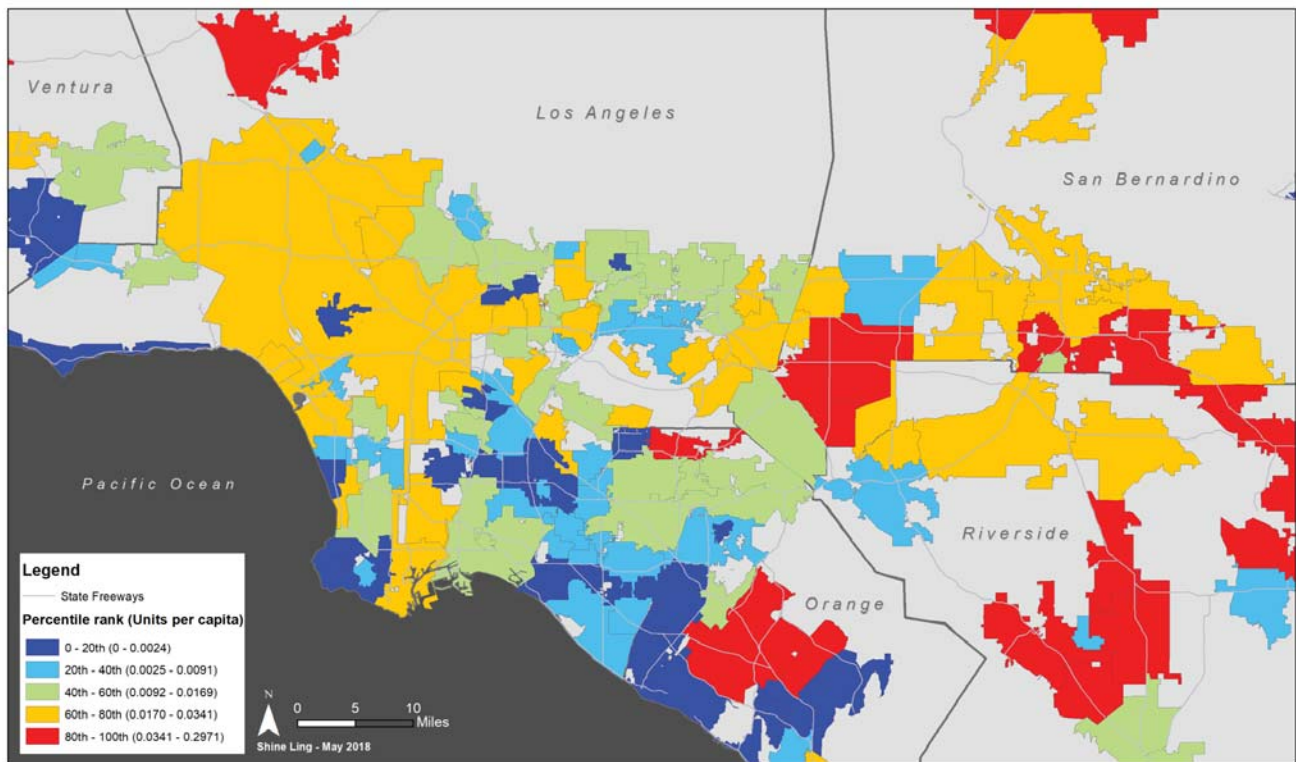


Source: BuildZoom; Census (2012-2016 5-year ACS).

Notes: Residentially-developed areas include Census tracts with more than 200 currently existing homes per square mile at the end of the period. An area is defined as having "almost no construction" if its net addition of new homes is less than 0.1 new homes per acre per decade.

<https://www.buildzoom.com/blog/pockets-of-dense-construction-in-a-dormant-suburban-interior>

RHNA Allocations per Capita (all units) - 5th Cycle (2013-2021)



Source: Shine Ling's forthcoming UCLA thesis, data from HCD

Projections of household formation in places with rising housing prices are biased downwards.

People are less likely to form new households when it is unaffordable.

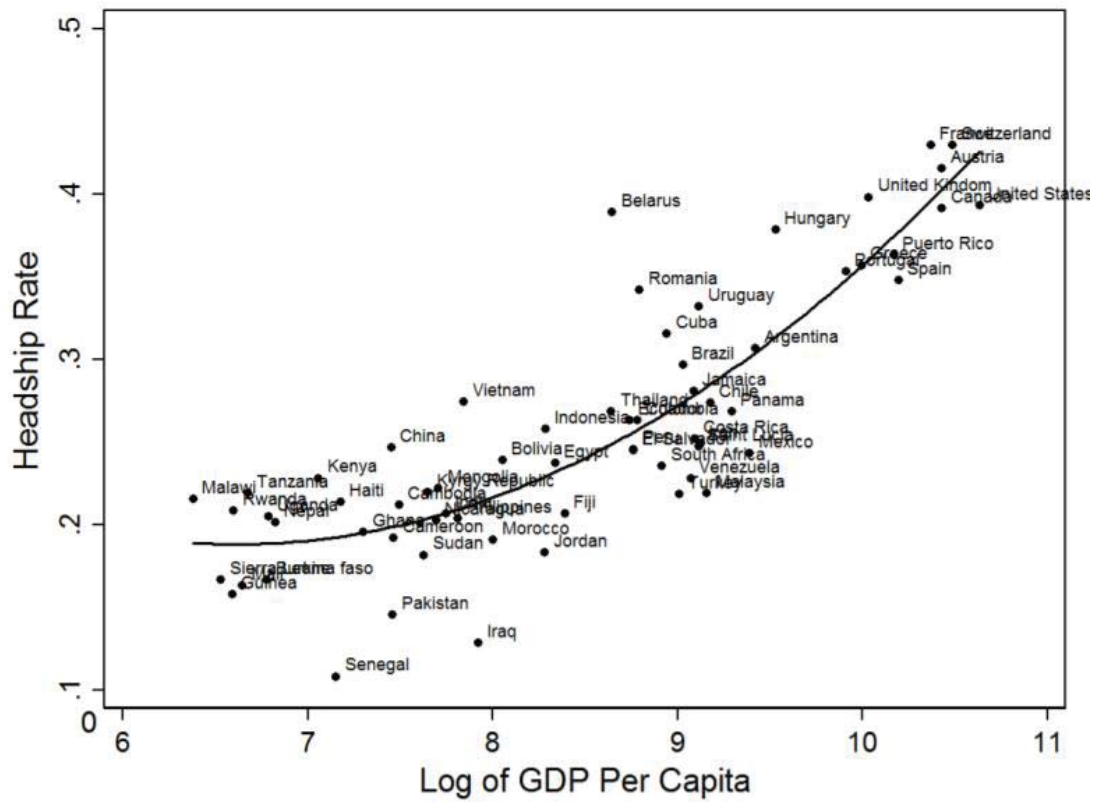


Figure 1: Traditional headship rate and GDP per capita (most recent census)

<https://www.anderson.ucla.edu/Documents/areas/ctr/ziman/2015-07WP.pdf>

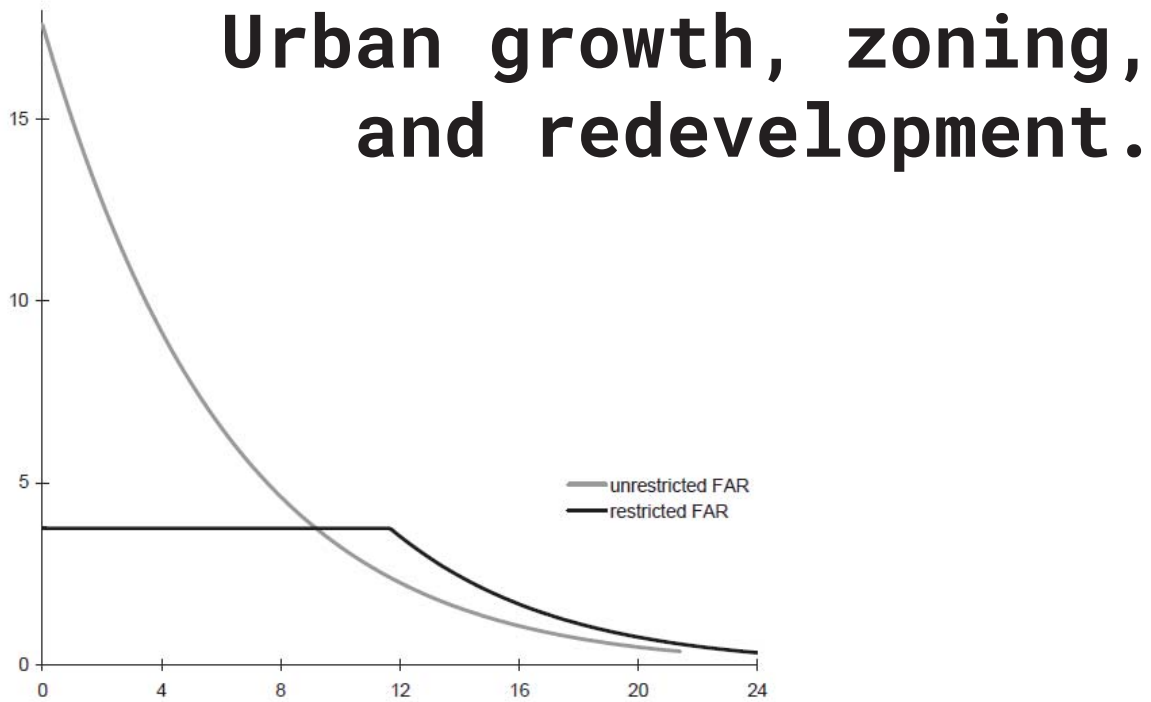
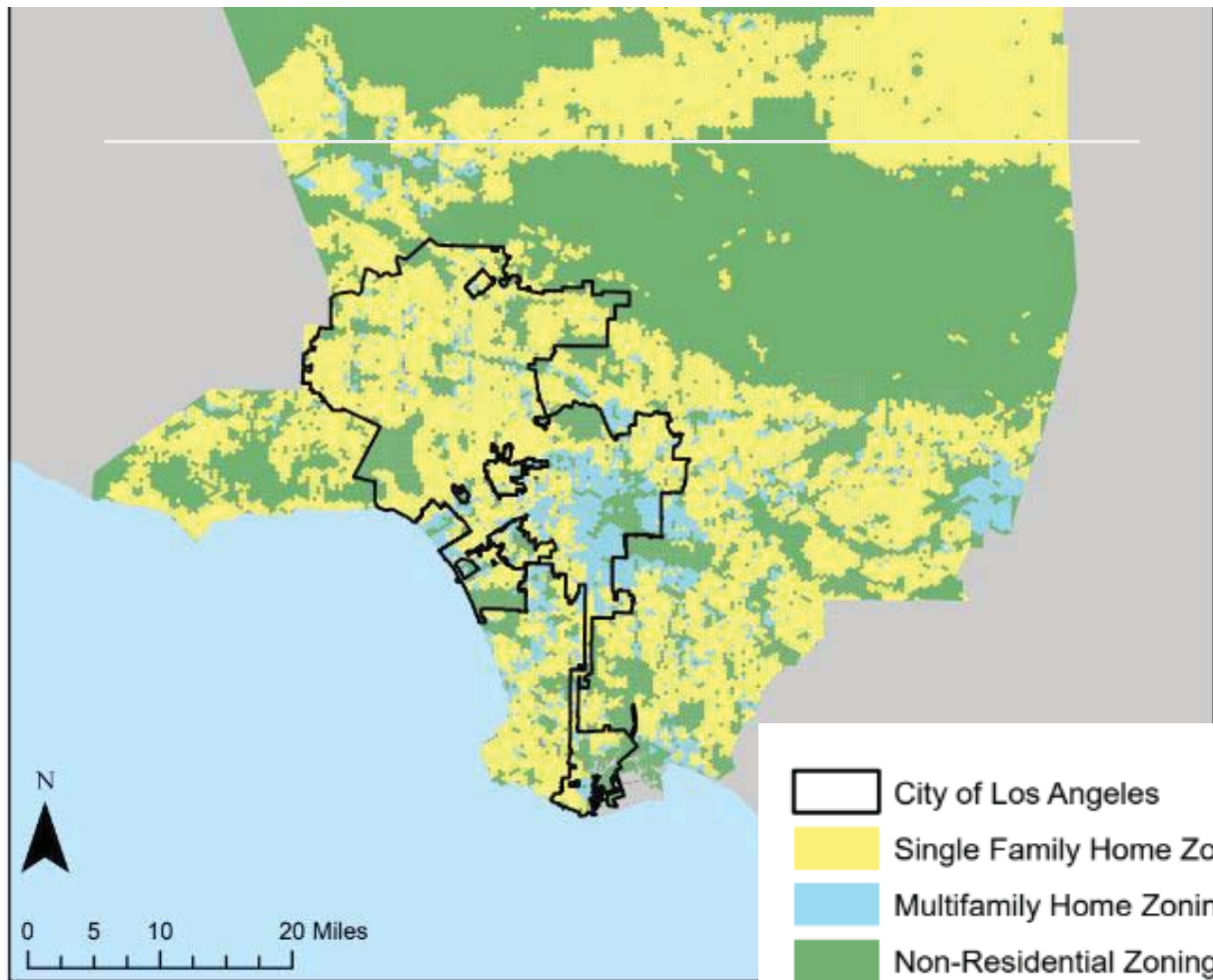


Figure 1: Simulated FAR patterns

Bertaud, A, and J. Brueckner. 2005. Analyzing Building-Height Restrictions: Predicted Impacts and Welfare Costs. *Regional Science and Urban Economics* 35(2):109-125.



<https://la.curbed.com/2018/2/14/17010482/los-angeles-apartments-burbank-mar-vista-south-pasadena>

gracias

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