REPORT

DATE: November 2, 2006

TO: Regional Council
Executive Committee
Community and Economic and Human Development Committee

FROM: Karen Tachiki, Chief Counsel, (213) 236-1816 tachiki@scag.ca.gov

SUBJECT: RHNA Pilot Legislation

EXECUTIVE DIRECTOR'S APPROVAL

RECOMMENDED ACTION:

Approve the attached legislative language and authorize the staff to submit the approved language to the legislative author.

BACKGROUND:

As reported at the September and October meetings of the Regional Council, at the conclusion of the legislative session in August, there remained a few outstanding issues amongst the stakeholders in Sacramento, which needed to be resolved in order for there to be a consensus for a bill to move forward in December. The issues related to the format, which SCAG should be required to utilize to disclose the basis of its final decision and clarifications with regard to the role of air quality in SCAG's analytical processes and the basis for appeals.

On October 10, 2006, a meeting was held in Sacramento to resolve the issues. The meeting was well attended and included representatives from the League of California Cities, CSAC, HCD, housing advocates, representatives from some individual cities, APA, and various staff from legislative offices. As a result of that meeting, the League was provided the opportunity to suggest language, which would address the remaining issues. Staff is in the process of responding to the League's proposed language. Attached is a copy of the language that is presently being discussed. We will report at the Committee and Regional Council meetings the results of our discussions.

FISCAL IMPACT:

$100,000 from the General Fund has been authorized by the Regional Council to begin the implementation of the RHNA Pilot Program. Staff will be reporting in December on additional funding that will be required to complete the RHNA Pilot Program.

Reviewed by:
Division Manager

Affirmed by:

PROPOSED RHNA PILOT PROGRAM LANGUAGE
FOR THE SCAG REGION – FINAL DRAFT
AUGUST, 2006

65584.08. For the fourth revision of the housing element pursuant to Section 65588 within the region of the Southern California Association of Governments, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(a) The existing and projected housing need for the region shall be determined in the following manner:

(1) The Southern California Association of Governments shall develop an integrated long-term growth forecast by five year increments. The growth forecast is not a Regional Housing Needs Allocation Plan.
(2) The forecast shall consist of three major variables: population, employment, and households, by geographic area throughout the region.
(3) The Southern California Association of Governments shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates from the most recent census, by weighing vacancy rates of for-sale and for-rent units.
(4) The Southern California Association of Governments shall transmit the forecast to the department with the following variables: population, employment, households, and housing units.
(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) and with subdivision (d) of Section 65584.01.

(b) Instead of the survey of each of its member jurisdiction pursuant to subdivision (b) of Section 65584.04, the Southern California Association of Governments shall conduct a public workshop. At least 30 days prior to the public workshop, the Southern California Association of Governments shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for the Southern California Association of Governments' consideration and incorporation into the discussion of the methodology at the workshop.

(c) The Southern California Association of Governments shall delegate development of the housing need allocation plan to the subregional entities, provided the Southern California Association of Governments and the subregional entities agree in writing and provided the Southern California Association of Governments ensures that the total regional housing need is maintained.

(d) The Southern California Association of Governments shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the factors upon which housing needs are proposed to be allocated to subregions, or, in absence of a subregion, to individual jurisdictions. The workshops will also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the Southern California Association of Governments on local conditions and factors. Following the workshops, concurrent with the adoption of its draft housing allocation plan, the Southern California Association of Governments shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.
(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.
(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(e) Both the methodology and allocation process shall consider the factors identified in subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The Southern California Association of Governments shall complete the final housing need allocation plan 12 months from the date that the department sends a final written determination of the region's existing and projected housing need. It is the intent of the Legislature that the housing element update deadlines as required in Section 65588 and as modified by the department pursuant to paragraph (2) of subdivision (a) of Section 65584.02 will not be extended, but the

Southern Association of Governments shall submit a report to the Legislature on March 30, 2007, describing the progress it has made in completing the final need allocation plan.

(f) A city or county may appeal its draft allocation to the Southern California Association of Governments or delegate subregion, pursuant to subdivision (e) of Section 65584.05 based upon any of the following criteria: (1) The Southern California Association of Governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that paragraph; (2) The Southern California Association of Governments of delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to paragraph (d); (3) the Southern California Assocation of Governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the factors identified in subdivision (d) of Section 65585.04, but the Southern California Association of Governments shall not be required to entertain requests for revision pursuant to subdivisions (b) and (c) of Section 65584.05. A city or county shall not be allowed to file more than one appeal, and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05. The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

Deleted:

Deleted: the application of the methodology adopted by the Southern California Association of Governments

Deleted: or

Deleted: , pursuant to subdivision (e) of Section 65584.05,

(g) The Southern California Association of Governments' approval of the final housing need allocation plan shall include information which supports each of the following:

(1) The plan is consistent with the objectives of this section and article.
(2) The plan is consistent with the regional transportation plan and the air quality conformity finding of the plan.
(3) The plan takes into account the information provided to the Southern California Association of Governments by its member jurisdictions pursuant to subdivisions (b) and (d).
(4) The total regional housing need is maintained.

Deleted: shall approve

Deleted: and describe the manner in which all of the

Deleted: will be accomplished

Deleted: <#>The distribution of housing units pursuant to the plan will not substantially impact the growth forecast in the air quality plan.¶

Formatted: Bullets and Numbering

(h) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.