SCAG
INNOVATING FOR A BETTER TOMORROW

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

REGIONAL COUNCIL OFFICERS

President
Ray Marquez, Chino Hills

First Vice President
Jenny Crosswhite, Santa Paula

Second Vice President
Patricia Lock Dawson, Riverside

Immediate Past President
Cindy Allen, Long Beach

COMMITTEE CHAIRS

Executive Administration
Ray Marquez, Chino Hills

Community, Economic, and
Human Development
Rocky Rhodes, Simi Valley

Energy and Environment
Rick Denison, Yucca Valley

Transportation
Mike T. Judge, Ventura County
Transportation Commission

November 13, 2026

Mr. Gustavo Velasquez
Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Subject: SCAG 7th Cycle RHND Objection

Dear Mr. Velasquez,

Thank you for transmitting SCAG's Regional Housing Needs Determination (RHND) for the 7th Regional Housing Needs Assessment (RHNA) Cycle. In accordance with Government Code Section 65584.01(c), please accept this letter as notice of SCAG's formal objection to the RHND. HCD's commitment to a high-quality, data-driven approach has been exemplified by the tremendous collaboration between our teams and the work completed to date. SCAG wishes to emphasize that this objection is rooted in our shared goal of ensuring that the RHND, which serves as the foundation for the 7th Cycle, is based on the most defensible and sound data and interpretations possible.

SCAG views HCD as a critical partner in continuing the important work of mitigating the ongoing housing crisis in Southern California. As you are aware, across the REAP 1.0 and REAP 2.0 programs, SCAG and HCD have partnered to distribute approximately $278.5 million to advance infill housing outcomes across the region. SCAG recognizes the need to accelerate housing production across all income levels and supports all methods for doing so, including the broader RHNA process. This objection should not be construed as a rejection of SCAG's responsibilities, but rather an opportunity to build public trust in the process by ensuring unique factors in Southern California's housing market are not overlooked in the application of a statewide methodology.

Enclosed in this package is the SCAG RHND Objection Technical Basis, a technical narrative outlining the basis for our objection, our proposed alternative determination, and the backup documentation needed to evaluate our proposed alternative determination, pursuant to Government Code Section 65584.01(c)(3). As you will see, our objection is focused on one singular component: the cost burden adjustment. Over 37 percent of the total RHND currently comes from this adjustment, so it is critical to ensure the figure is calculated and applied in a way that is defensible. We appreciate the complexity of this task. As both HCD's RHNA reform documentation (California's Housing Future 2040 and RHNA Audit Action Plan) and SCAG's technical review recognize, translating cost-burden rates into a precise physical unit requirement is impossible without complex econometric modeling of regional price elasticities and market filtering—modeling that neither HCD nor SCAG currently possesses. While SCAG accepts that an

administrative proxy rather than an exact econometric model result is appropriate given resource constraints, we believe a reasonable application under Government Code § 65584.01 requires HCD to differentiate its proxy by income by eliminating the adjustment for moderate- and above-moderate-income tiers while preserving the full adjustment for lower-income households.

It must be noted that moderate- and above-moderate-income households seeking housing in an open market do not experience cost-burden in the same manner that the lower income categories do. Due in large part to the region's high desirability and position as a global metropolis, the ratio of median housing cost to median incomes is especially high. This results in a high share of moderate and above-moderate-income households spending more than 30 percent of their income on housing, necessitating lower spending elsewhere. In contrast to the nation, this difference is made up mostly of homeowners, who inherently experience less housing insecurity and benefit from the wealth-building opportunity that homeownership confers.

Allocating such a high share of the RHND based on higher income households that spend above 30 percent of income on housing is a standard that fails to acknowledge the different experience of cost burden that is clear in both the region's housing market and in 65584.01(b)(1)(H). A cost-burden adjustment for moderate and above-moderate income households that is not eliminated or otherwise capped or narrowed cannot be justified.

SCAG believes that the thoroughness HCD staff has shown has observably improved since the 6th Cycle, and the willingness that staff have shown to learn and collaborate during the consultation stage is greatly appreciated. Our hope is that we can continue to build on this strong foundation to arrive at an even more precise RHND. At the end of the day, our goal is to **help accelerate housing production that meets the needs of people across the SCAG region**. REAP 1.0 and REAP 2.0 have shown what we can accomplish through strong collaboration and a shared commitment to housing production. We want to build on that success by continuing to support jurisdictions and focusing our resources on activities that directly advance housing production, including funding and technical assistance. **SCAG remains an essential partner in this work, and we are ready to continue moving forward together.**

Thank you for your consideration and continued collaboration. My team and I are available for any questions you may have.

Sincerely,

Kome Ajise

Kome Ajise

SCAG RHND Objection Technical Basis

On October 14, HCD transmitted its Regional Housing Needs Determination (RHND) of 1,359,750 total units for the SCAG region that local jurisdictions must plan for over the period from June 30, 2029, to October 15, 2037. At its November 5, 2026, meeting, the SCAG Regional Council directed the Executive Director to file an objection to HCD on the regional housing needs determination pursuant to 65584.01(c)(2)(B):

The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (b).

SCAG posits that the cost-burden adjustment used to determine the RHND is not a reasonable application of the methodology and assumptions because of its application to all income levels, as opposed to excluding moderate- and above moderate-income from the adjustment. Herewith we include a proposed alternative determination of SCAG's regional housing need over the same period that is a more reasonable application of the methodology and assumptions pursuant to subdivision (b).

This proposed alternative does not differ from the regional need determination discussed extensively during the consultation process – in particular during the October 8 and October 12 meetings, wherein SCAG staff assisted HCD staff with the use of the ACS Public Use Microdata (PUMS) required to develop the cost-burden measures referenced in Government Code 65584.01(b)(1)(H):

"… the term "cost burdened" means the share of very low, low-, moderate-, and above-moderate income households that are paying more than 30 percent of household income on housing costs."

As briefly mentioned above, in our view, only one component of the RHND rises to the level of "not a reasonable application of the methodology and assumptions pursuant to subdivision (b)" – **the cost-burden adjustment on lines 11 and 12 of the RHND calculation**.

In authorizing this objection, SCAG's Regional Council emphasized the importance, at the local jurisdiction level, to be able to point to a credible, data-backed determination of regional housing need when doing the difficult work of identifying, rezoning, or otherwise supporting individual sites for local housing elements. As you are aware, over 37% of the total RHND currently comes from the cost-burden adjustment, so it is critical to ensure the figure is calculated and applied in a way that is defensible and builds public trust in the process.

For every other component of the RHND calculation, our staff were able to identify, and sufficiently communicate to our Regional Council, a connection between the measurement of a data point and a number of housing units that, if built, would solve the condition identified (see attached staff report and presentation).

Improving the cost-burden adjustment so that it establishes a clear connection between the measurement of a problem (cost-burden) with a solution available in the RHNA process (simply put, a number of additional units for the region to plan for) would greatly improve trust in the entire process. It would remove a final piece of subjectivity from an otherwise technically robust, objective process. Our argument is provided as follows:

A lower income-only cost-burden adjustment is more reasonable. It leverages lower-income RHNA requirements to create a more direct connection between the housing need identified and the affordability problem the adjustment is intended to address.

While we understand the desire to maintain consistency across the state, uncritically and formulaically applying a specific data point is not supported by statute. In contrast, 65584.01 obligates HCD to a region-specific consultation process to determine the supply of housing needed, providing a list of factors but avoiding a specific formula.

Housing supply is one factor in a housing market; in turn, a housing market interacts with a labor market, transportation networks, trade flows, state and federal policies, the national and global economies, and the natural environment to yield many of the outcomes the RHND seeks to promote planning for (e.g. growth, vacancy, emergency losses, cost burden, homelessness). This is the multi-objective approach of regional planning (see, e.g., www.scag.ca.gov/connectsocal). The rationale for a region-level approach to determining housing needs is that each region is, essentially, a housing market.

Furthermore, it must be noted that moderate- and above moderate-income households typically do not experience cost-burden in the same manner that the four lower income categories do. For example, an extremely low-income household may not have the practical capability to relocate to a more affordable area for a variety of extraneous circumstances, while an above moderate-income household typically does not suffer from the same constraints. Therefore, an above moderate-income household may choose to pay a higher percentage of their income on housing expenses to live in a more expensive area without experiencing the same burden implied by the current line-item adjustment in the RHND. That capacity for practical choice makes for a clear distinction; households making at least the area median income are able to respond rationally to market pressures in the local housing market, whereas other income levels do not enjoy the same privilege of choice. Assigning additional housing need to the moderate- and above-moderate-income

categories based on this factor does not contribute to meeting housing demand through increased housing production within those income categories. For that reason, SCAG argues that the application of the cost-burden adjustment to moderate- and above moderate-income households does not represent a reasonable application.

This objection follows an exceptionally constructive consultation process in which state goals and regional conditions were largely aligned. This objection addresses the final outstanding piece and proposes an alternative determination that is not only, "a more reasonable application of the methodology and assumptions determined pursuant to subdivision (b)," but also advances the practice of evidence-based policymaking in nearly half of California's communities. In addition, it is reasonable to assume that some portion of what the adjustment is trying to accomplish elsewhere for moderate- and above moderate-income levels is accounted for in the other elements of the RHND.

As such, we seek to **replace the cost-burden adjustment (lines 11 + 12) with an otherwise equivalent cost-burden adjustment for households in the four lower income categories only**, resulting in a total RHND of 1,081,926 units.

The attached tables provide a breakdown of this change[1]. The attached staff report from our November 5 Regional Council meeting provides further context for this objection. We appreciate the collaborative work with HCD over the past couple of months to develop the RHND and look forward to continuing our partnership in meeting housing need across the SCAG region. If you have any questions, please feel free to contact Ma'Ayn Johnson, Manager of Housing, at johnson@scag.ca.gov.

[1] Please note that the calculation of this adjustment is highly sensitive to several technical assumptions made regarding American Community Survey (ACS) data. These include, for example, deriving the median income of multi-county regions, precisely mirroring ACS table thresholds and sampling exclusions using microdata, and the possibility of including 2025 1-year ACS data which became available on October 29, 2026. We understand that, if any adjustment is made, HCD will likely undertake their own calculation. SCAG staff continue to be available to consult and support if needed to help achieve the aims of this proposed alternative determination.

Atttachment 1: SCAG 7th Cycle RHND Objection

			National Average	Regional Average	Difference		
11		**+ Cost-burden Adjustment (National Average % vs Region ACS %)**	31.45%	31.45%	11.74%	+	764,476
12		**- Adjustment to Account for HHs that Experience Both Overcrowding and Cost-burden (DOF data)**				-	(259,849)

SCAG Proposed alternative 11-12

Atttachment 1: SCAG 7th Cycle RHND Objection

INCOME LEVELS	SCAG	*% of Total Households*	US	*% of Total Households*
Very Low Income - Upper Bound	$ 47,918	*25.56%*	$ 40,802	*25.11%*
Low Income - Upper Bound	$ 76,669	*15.89%*	$ 65,283	*15.47%*
Moderate Income - Upper Bound	$ 115,003	*17.98%*	$ 97,925	*17.76%*
Above Moderate Income		*40.58%*		*41.66%*
Median Household Income	$ 95,836		$ 81,604	

2026 Households:
6,514,134

COST BURDEN BY INCOME	SCAG Total Households	SCAG Cost Burdened Households	*SCAG - Percent Cost Burdened*	US Total Households	US Cost Burdened Households	*US - Percent Cost Burdened*	*Cost-Burden Difference: SCAG - US*	SCAG Overcrowded Households	*SCAG - Percent Overcrowded*	SCAG -- Cost burdened households that are not also overcroweded	*Percent of SCAG Total Households*	US -- Cost burdened households that are not also overcroweded	*Percent of US Total Households*	*Cost burden in excess of overcrowding: SCAG - US*	
Very Low Income	1,635,577	1,380,948	*84.43%*	33,319,147	24,703,724	*74.14%*	10.29%	119,350	*7.30%*	1,248,874	*76.36%*	23,792,797	*71.41%*	4.95%	80,942
Low Income	1,016,939	655,719	*64.48%*	20,525,783	9,077,187	*44.22%*	20.26%	97,268	*9.56%*	573,836	*56.43%*	8,611,330	*41.95%*	14.47%	145,861
Moderate Income	1,150,561	474,067	*41.20%*	23,561,756	5,533,402	*23.48%*	17.72%	126,838	*11.02%*	433,575	*37.68%*	5,267,418	*22.36%*	15.33%	177,314
Above Moderate Income	2,596,729	320,837	*12.36%*	55,273,795	4,104,718	*7.43%*	4.93%	269,718	*10.39%*	302,994	*11.67%*	3,970,817	*7.18%*	4.48%	121,695

Source: IPUMS USA, University of Minnesota, www.ipums.org, processed in RStudio using American Community Survey 2024 1-year estimates mirroring cost-burden criteria from Table B25140 plus area median income thresholds.

Table 2 : Regional Housing Needs

	Southern California Association of Governments: June 30,2029 - October 15,2037 (8 Years) HCD Determined Population, Households, & Housing Need					
	POPULATION AND HOUSEHOLD PROJECTIONS					
1	*+ Population: DOF 6/30/2037 Projection Adjusted 3.5 months to 10/15/2037*					*18,792,495*
2	*- Group Quarters Population: DOF 6/30/2037 Projection Adjusted 3.5 months to 10/15/2037*					*(394,638)*
3	*= Preliminary Household (HH) Population: 10/15/2037 (Not Including Student Population in Apartment Style Student Housing)*					*18,397,857*
4	**Household Formation Groups**	**DOF Projected HH Population**	**Formation Rates**			**DOF Projected Households**
	under 15 years	2,524,715	*n/a*			*n/a*
	15 - 24 years	2,288,236	*6.94%*			158,878
	25 - 34 years	2,483,176	*33.25%*			825,587
	35 - 44 years	2,141,869	*47.66%*			1,020,918
	45 - 54 years	2,623,077	*52.28%*			1,371,473
	55 - 64 years	2,181,043	*53.16%*			1,159,458
	65 -74 years	2,026,409	*55.29%*			1,120,473
	75 - 84 years	1,510,644	*57.29%*			865,521
	85+	618,691	*59.20%*			366,247
5	**+ Preliminary Projected Households (Occupied Unit Stock)**					**6,888,555**
6	*Student Population in Apartment Style Student Housing: DOF 6/30/2037 Projection Adjusted 3.5 months to 10/15/2037*					*134,642*
7	**+ Projected Apartment Style Student Households**	Growth in Student Population	15-24 Age HH Formation Rate			**708**
		10,195	6.94%			
8	**Total Projected Households**				=	**6,889,263**
	ADJUSTMENTS					
9	**Vacancy Adjustment (Healthy Housing Market Vacancy % vs. Region ACS %)**	Owner	Renter			
	+ Vacancy Adjustment for Projected Households	3,994	12,281		+	16,275
	+ Vacancy Adjustment for Existing Households (Healthy Housing Market Vacancy % vs. Region ACS %)	42,469	89,120		+	131,589
10	**+ Overcrowding Adjustment (National Average % vs Region ACS %)**	National Average	Regional Average	Difference	+	398,400
		3.54%	9.66%	6.12%		
11	**+ Cost-burden Adjustment (in excess of overcrowding) for Very Low-Income Units**	71.41%	76.36%	4.95%	+	80,942
	+ Cost-burden Adjustment (in excess of overcrowding) for Low-Income Units	41.95%	56.43%	14.47%	+	145,861
13	**+ Replacement Adjustment Demolitions (.1% min, 5% max, vs. % DOF Demolitions)**	Adjustment Range	Rate of Demolitions	Minimum Adjustment	+	6,889
		0.10 - 5%	0.022%	0.10%		
14	**+ Relationship Between Jobs and Housing (HCD Standard of 1.5 housing Units Per Job)**	Jobs in Region	Workers in Region	Net Inflow	+	9,467
		7,602,382	7,588,181	14,201		
15	**+ Homelessness Adjustment**				+	38,646
16	**+ Units Lost During a Governor-Declared State of Emergency in the Prior Planning Period**				+	8,056
17	**- Occupied Units (HHs) Projected June 30, 2029 (from DOF Data)**				-	(6,643,462)
18	***= Preliminary Regional Housing Need After Steps (8) Through (17)***				=	***1,081,926***
19	**+ Replacement Adjustment Seasonal, Recreational, and Occasional Use Housing Units (2016 vs. 2024)**			0.00%	+	-
20	**+ Feasible Jobs/Housing Balance (Employment Projections / RHND <= 1.5 Jobs Per Housing Unit)**	Employment Projections 2035	Preliminary RHND + Total Occupied Units	Ratio	+	-
		8,899,593	7,725,388	1.15		

7th Cycle Regional Housing Need Determination (RHND): = 1,081,926

Go back to Table of Contents

	Projection period: Government Code section 65588, subdivision (f), specifies the RHNA projection period start is December 31 or June 30, whichever date most closely precedes the end of the previous RHNA projection period end date. SCAG's projection period starts June 30, 2029, and ends October 15, 2037.
1-5	Population, Group Quarters, Household Population, and Projected Households: Pursuant to Government Code section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc., that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
6-7	Projected Apartment-Style Student Households: DOF provides projections of the student population expected to reside in apartment-style student housing by the end of the projection period. Under the US Census Bureau definitions, all student housing owned, leased, or managed by a college or university, including apartment-style units, are classified as group quarters rather than as part of the household population. Because DOF household projections exclude the group quarters population, projected changes in the number of students living in apartment-style student housing are not captured in the baseline household forecast. HCD accounts for this by subtracting the student population residing in apartment-style student housing at the beginning of the projection period (2029) from the projected population at the end of the projection period (2037). The resulting net change in student population living in apartment-style student housing (10,195) is then converted into projected households using the age 15-24 headship rate of 6.94% percent, resulting in an adjustment of 708 projected households.
8	Total Projected Households at the end of the projection period (October 15, 2037).
9	Vacancy Adjustment: Pursuant to Government Code section 65584.01, subdivision (b)(1)(E), HCD applies a vacancy adjustment based on the region's current vacancy percentage to promote healthy market vacancies that facilitate housing availability and resident mobility. Healthy vacancy rates are 2% for owners and 7% for renters for metropolitan planning organization (MPO) regions (6% for renters in non-MPO regions). There are two methodologies utilized to calculate this adjustment. The first methodology is to calculate the vacancy adjustment for existing households. The adjustment for existing households is the difference between the healthy rate of 2% and 7% vacancy rates and the region's current vacancy rates based on the 2024 5-year American Community Survey (ACS) data. That difference is then multiplied by the number of existing households by tenure based on the most recent occupied household estimates from DOF (existing households multiplied by current rates of renters and owners). For SCAG, the existing household owner vacancy rate (0.78%) is below the healthy standard, resulting in a 1.22% adjustment. The existing household renter vacancy rate (4.07%) is also below the healthy standard, resulting in a 2.93% adjustment. The second methodology is to calculate the vacancy adjustment for projected households. The projected household vacancy adjustment is obtained by applying the standard 2% and 7% vacancy rates to the projected owner and renter households. The healthy vacancy rates (2% and 7%) are then multiplied by the number of projected households by tenure (projected households multiplied by current rates of renters and owners). Data is from the 2024 5-year ACS and DOF 2026 E-5 Population Estimates. Note: 2024 1-year ACS summary tables (B25004 and B25003) were not available for all the counties in the SCAG region, thus the 2025 5-year ACS summary tables were used.
10	Overcrowding Adjustment: Pursuant to Government Code section 65584.01, subdivision (b)(1)(C), HCD uses ACS data to consider the percentage of households that are overcrowded in the region compared to the United States national average of households that are overcrowded. In regions where the overcrowding rate is greater than the U.S. national average overcrowding rate (3.54%), HCD applies an adjustment based on the amount the region's overcrowding rate exceeds the U.S. overcrowding rate. For SCAG, the region's overcrowding rate (9.66%) is higher than the national average (3.54%), resulting in a 6.12% adjustment. HCD then applies the 6.12% adjustment to total occupied households in the region (6,514,134). Per SCAG's request, data is from the 2024 1-year ACS (B25014) and DOF 2026 E-5 Population Estimates. HCD received satisfactory evidence that the 2024 1-Year ACS data is not anomalous and has a relatively low margin of error given SCAG's large size. As a result, HCD utilized the applicable 2024 1-Year ACS summary tables throughout the RHND calculations where feasible.
11	Cost Burden Adjustment: Pursuant to Government Code section 65584.01, subdivision (b)(1)(H), HCD uses ACS data to consider the percentage of households that are cost burdened in the region compared to the United States national average of households that are cost burdened (but not also overcrowded). An adjustment is added for very low and low income categories separately. HCD applies each adjustment to total occupied households in the region (6,514,134). Data is from the 2024 1-year ACS PUMS (using B25140 thresholds) and DOF 2026 E-5 Population Estimates.
~~12~~	~~Overcrowding and Cost Burden Adjustment: To minimize double counting the housing needs of households that are both overcrowded and cost burdened, HCD has implemented an additional overcrowding and cost burden adjustment. For regions with an adjustment for both overcrowding and cost burden, a downward adjustment is applied based on the number of households that are estimated to be both overcrowded and cost burdened according to an analysis of 2024 1-year ACS Public Use Microdata Sample File data (PUMS) provided by DOF. If the DOF data for this adjustment exceeds the individual adjustments for overcrowding or cost burden, then this adjustment is limited to the lesser of the two. This double counting consideration resulted in a 259,849-unit reduction.~~
13	Replacement Adjustment (Demolitions): HCD applies a replacement adjustment between 0.10% to 5% to the total housing stock based on the current 10-year average percent of demolitions (January 1, 2017, to January 1, 2026) in the region's local government annual reports to DOF. Units lost during a state of emergency declaration are not included. For SCAG, the 10-year average was 0.022%, so the minimum adjustment of 0.10% is applied to the projected occupied households. The data for demolitions is from DOF-DRU's 2026 custom tabulations of Annual Housing Unit Survey Results and DOF 2026 E-5 Population Estimates.
14	Jobs Housing Relationship Adjustment: HCD applies an adjustment based on the number of in-commuters to a region. The adjustment is calculated by dividing the number of in-commuters to the region by HCD's jobs/housing standard of 1.5. In SCAG, the number of employed residents was below the number of people employed in the region, resulting in an adjustment of 9,467. Data is from the US Census Bureau LEHD Origin-Destination Employment Statistics, 2023.
15	Homelessness Adjustment: HCD applies an adjustment based on the housing needs of individuals and families experiencing homelessness. For non-COG regions and COGs that do not provide their own data, by default, HCD uses the most recent Point-in-Time counts from the region's Continuums of Care and DOF household formation rates. SCAG's Continuums of Care include Imperial County, Los Angeles City and County, Santa Ana, Anaheim/Orange County CoC, Riverside City and County, San Bernardino City and County, Oxnard, San Buenaventura/Ventura County CoC, Long Beach CoC, Pasadena CoC, and Glendale CoC. An adjustment of 38,646 units was applied to SCAG using data from the HUD 2025 Point-in-Time Count and DOF household formation rates. This adjustment is allocated to the acutely low- and extremely low-income categories, with 75% of the adjustment allocated to the acutely low-income category and 25% allocated to the extremely low-income category.
16	State of Emergency Adjustment: HCD uses data provided by the California Governor's Office of Emergency Services (CalOES) and the California Department of Forestry and Fire Protection (CAL FIRE) pursuant to Government Code section 65584.01, subdivision (b)(1)(I), to calculate the number of units lost due to a declared state of emergency during the previous planning period (since 2021) and which have not been rebuilt or replaced. CalOES and CAL FIRE inspection data was retrieved by HCD in August 2026. HCD defines a rebuilt or replaced unit as the issuance of a building permit in the affected area, as reported in the Annual Progress Report or other local data sources, and subtracts the number of building permits from the count of units lost. To estimate the percentage of units lost that were originally occupied, HCD uses 2024 5-year ACS data (B25004) to calculate the percentage of units in the region that are temporarily occupied by persons with a usual residence elsewhere. The occupancy rate is then applied to the net units lost due to a state of emergency. For SCAG, this resulted in an adjustment of 8,056 units to the RHND. HCD uses the California Franchise Tax Board and CalOES list of disasters and emergency proclamations to ensure that only units destroyed by a Governor-declared State of Emergency in the region are utilized when calculating this adjustment.
17	Occupied Units: Reflects DOF's projected occupied units at the start of the projection period (June 30, 2029).
18	Preliminary Regional Housing Need Determination: Housing need calculated after applying calculations 1-17. This preliminary RHND is used to evaluate feasible balance between jobs and housing and the Replacement Adjustment (Seasonal, Recreational, and Occasional Use).
19	Replacement Adjustment (Seasonal, Recreational, and Occasional Use Housing Units): In addition to the demolition replacement adjustment, HCD also applies a replacement adjustment to account for housing units that are not available for permanent year-round occupancy. This adjustment is calculated based on the change in the percentage of housing units that are for seasonal, recreational, and occasional use per ACS data. There are two methodologies utilized to calculate this adjustment, depending on changes in the housing stock over the period of analysis. If both the total number of seasonal, recreational, and occasional use housing units and the overall housing stock increased over the relevant 8-year period, HCD calculates the adjustment based on the proportion of newly added housing units used for seasonal, recreational, or occasional purposes during that time frame. This proportion is then applied as a percentage increase to the preliminary housing need assessment. If, however, the overall housing stock decreased, HCD instead compares the change in the share of seasonal, recreational, occasional use housing units to total housing units. For SCAG, the total number of recreational housing decreased and total housing units increased from 2016 to 2024; therefore, HCD used the first option. From 2016 to 2024, seasonal, recreational, occasional use housing units decreased (-11,110) while there was new housing unit growth (+341,030). Since there was a decrease in seasonal, recreational, occasional use housing units, no adjustment was applied. Note: Data is from the 2016 and 2024 ACS 5-year estimates (B25004), as 2024 1-year ACS data was not available for the necessary tables for all the counties in the SCAG region.
20	Feasible Jobs/Housing Balance Adjustment: According to statute, the "region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan" (Gov. Code § 65584.01, subd. (c)(1)). After applying the adjustments noted above, HCD compared the 7th cycle RHNA determination and the region's total occupied housing units to employment projections in Caltrans' Long-Term Socio-Economic Forecast to determine whether a feasible balance was achieved. This analysis resulted in a jobs housing balance of 1.11 (0.9 housing units for every projected job). Because this is below the healthy rate of 1.5, no additional adjustment is needed. Data is from Caltrans' 2026 Long-Term Socio Economic Forecast as prepared by DOF.

	Housing Units
EXISTING NEED	**812,961**
+ Vacancy Adjustment for Existing Households (Healthy Housing Market Vacancy % vs. Region ACS %)	131,589
+ Overcrowding Adjustment (National Average % vs Region ACS %)	398,400
+ Cost-burden Adjustment (in excess of overcrowding) for Very Low-Income Units	80,942
+ Cost-burden Adjustment (in excess of overcrowding) for Low-Income Units	145,861
+ Relationship Between Jobs and Housing (HCD Standard of 1.5 housing Units Per Job)	9,467
+ Homelessness Adjustment	38,646
+ Units Lost During a Governor-Declared State of Emergency in the Prior Planning Period	8,056

PROJECTED NEED	**268,965**
+ Preliminary Projected Households (Occupied Unit Stock)	6,888,555
+ Projected Apartment Style Student Households	708
+ Vacancy Adjustment for Projected Households	16,275
+ Replacement Adjustment Demolitions (.1% min, 5% max, vs. % DOF Demolitions)	6,889
+ Replacement Adjustment Seasonal, Recreational, and Occasional Use Housing Units (2016 vs. 2024)	-
+ Feasible Jobs/Housing Balance (Employment Projections / RHND <= 1.5 Jobs Per Housing Unit)	-
- Occupied Units (HHs) Projected June 30, 2029 (from DOF Data)	(6,643,462)

7th Cycle Regional Housing Need Determination (RHND):	**1,081,926**

Table 1 : Regional Housing Need by Income

Regional Housing Need Determination

Southern California Association of Governments
June 30,2029 - October 15,2037

Income Category	Percent	Housing Unit Need
Acutely Low	12.4%	133,813
Extremely Low	15.6%	168,299
Very-Low	16.3%	176,116
Low	22.1%	239,225
Moderate	7.1%	77,154
Above-Moderate	26.6%	287,319
Total	**100.0%**	**1,081,926**

Income Distribution: Income categories are prescribed by California Health and Safety Code (Section 50063.5, et. seq.). Percents are derived based on ACS reported household income brackets and county median incomes as determined by HCD.

Table 1a: Rounding Distribution to Ensure Consistency in Final RHND by Incomes and Income-based adjustments

A	**RHND Total**	1,081,926.00
B1	**(Homelessness Adjustment)**	38,646.00
B2	**(Cost Burden Adjustment)**	226,802.97
C	**RHND - (Income-based adjustments)**	**816,477.03**

Income Categories	Weights	Raw Count (C)	Share of Homelessness Adjustment	Share of Cost Burden Adjustment	RHND (B1 + B2 +C)	Decimal portion	Final adjusted RHND (B1 + B2 + C)
Acutely Low	8.55%	69,803.12	***75%***	***15.44%***	133,812.86	0.858	133,813.00
Extremely Low	12.94%	105,633.68	***25%***	***23.37%***	168,299.20	0.196	168,299.00
Very-Low	14.36%	117,271.84	0%	***25.94%***	176,115.56	0.556	176,116.00
Low	19.51%	159,295.50	0%	***35.24%***	239,225.50	0.505	239,225.00
Moderate	9.45%	77,153.72	0%	0%	77,153.72	0.719	77,154.00
Above-Moderate	35.19%	287,319.17	0%	0%	287,319.17	0.166	287,319.00
	Total Raw Proportion (C):	816,477.03			*Total Decimal Portion:*	3.000	1,081,926.00

Description:

Table 1 divides the RHND in Table 2 (excluding the Homelessness Adjustment) by Income Categories using Share of Households in the Income Categories in the Region. This is accomplished by converting the 1 year ACS Census Table B19001 (Household Income in the past 12 months) into the HCD defined State Income Limits published annually. The calculation of the Share of Households can be found in Table 16: Income Calculator - Region.

HCD then applies 75% of the 'Homelessness Adjustment' to the Acutely Low Income Category and 25% to the Extremely Low Income Category. The method also ensures that the RHND by incomes is a whole number by distributing the decimal portions to all the Income categories.

To see calculation of the proportion of households (Weights) see Table 16: Income Calculator - Region

Go back to Table of Contents