

## RHNA Reform Draft Recommendations Matrix

In July and August of 2022, SCAG staff conducted a stakeholder engagement process to gather input and feedback on RHNA reform. The staff has reviewed the input and comments received during this process and have prepared draft recommendations. These draft recommendations will be reviewed and approved by SCAG's Community, Economic and Human Development (CEHD) Committee and Regional Council in late summer of 2023. Once the recommendations are approved, they will be used to inform a comment letter that SCAG will submit to the California Department of Housing and Community Development (HCD) in mid-September of 2023.

The matrix below summarizes the comments received and provides staff's response as well as proposed draft recommendations. Comments may be submitted to [housing@scag.ca.gov](mailto:housing@scag.ca.gov). To ensure feedback is considered for draft recommendations to CEHD and Regional Council, please submit comments no later than Friday, June 30, 2023.

Regional Determination			
	Comment Summary	Staff Response	Recommendation
1	Decades of existing housing need cannot be addressed in one RHNA cycle and should be spread out over multiple cycles.	<p>The 6th cycle RHNA allocations were much higher than previous cycles and now considers overcrowded households and cost burdened households (and a target vacancy rate for a healthy housing market). SCAG had advocated the RHNA numbers be allocated among multiple cycles earlier in the 6th RHNA cycle process, but HCD was not supportive of this idea. SCAG staff recommends that existing need from the regional determination be extended across multiple planning cycles to ensure that the RHNA can be fully accommodated by jurisdictions.</p> <p>In addition to amending RHNA reform, SCAG staff recommends extending the housing element planning periods over multiple cycles to be consistent with the extension of the determination period for existing need.</p>	<i>Legislative change and additional exploration by SCAG outside of RHNA reform and include in comment letter.</i>

	<i>Comment Summary</i>	<i>Staff Response</i>	<i>Recommendation</i>
2	The regional determination process should be transparent and open to the public.	SCAG staff recommends that procedures be established for HCD to publicize its data sources and analyses prior to finalization of the regional determination to facilitate a transparent process with accessible information prior to finalization from HCD.	<i>Legislative change and include in comment letter.</i>
3	The regional determination should include additional assumptions and factors, such as: <ul style="list-style-type: none"> <li>• Populations in institutions</li> <li>• Market factors</li> <li>• Land available and capacity for development</li> </ul>	<p>The current determination process excludes populations within institutions, such as dormitories, prisons, and nursing homes because the units housing them are not considering housing units for DOF purposes, nor are they generally considered as units for housing element purposes. SCAG recommends continuing excluding them from the regional determination process but encourages jurisdictions to address these populations accordingly in their local housing elements.</p> <p>Land availability and capacity to accommodate housing need were not a factor in the State’s determination of regional housing need, nor did SCAG include land availability in its methodology for allocating RHNA assignments to each jurisdiction. SCAG currently has the authority to revisit its allocation methodology for the 7<sup>th</sup> cycle and can consider land availability and capacity if desired by the Regional Council. However, SCAG cannot limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions and must consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. While there may be some areas that are not suitable for residential development, it does not preclude a jurisdiction from</p>	<i>No change</i>

	<i>Comment Summary</i>	<i>Staff Response</i>	<i>Recommendation</i>
		evaluating areas that are suitable for development and considering planning tools to accommodate housing need such as increased density, affordable housing overlays, and mixed-used zoning.	
4	The regional determination should have a strong jobs housing relationship.	One of the objectives of State housing law is to further the promotion of an improved intraregional relationship between jobs and housing. SCAG is committed to ensuring that the determination process by HCD considers all available data sources. SCAG agrees with this recommendation and will facilitate conversations with HCD to continue furthering this objective.	<i>SCAG and HCD administrative change and include in letter.</i>
5	Assumptions and data sources have errors	There was disagreement from COGs (such as SCAG) on assumptions used by HCD in the 6 <sup>th</sup> cycle RHNA determination. Additionally, a 2022 State audit concluded that HCD's process lacks sufficient reviews and support and recommended that the Department institute formal processes to review and document its considerations. SCAG staff agrees with this recommendation and also recommends that HCD convene a panel of experts as part of the determination process. The panel could be comprised of representatives from the Census, academia, and another COG and advise HCD on their assumptions, data, and analysis prior to the Department making its final determination.	<i>Legislative change and include in letter.</i>

	<i>Comment Summary</i>	<i>Staff Response</i>	<i>Recommendation</i>
		This would support a fair and transparent process when determining regional housing need.	
6	A panel of experts composed of private individuals creates an opportunity to politicize the process.	SCAG staff recommends a panel comprising of representatives of public agencies and academia to minimize the politicization of the regional determination.	<i>Legislative change and include in letter</i>
7	The regional determination should be provided by HCD earlier than what is currently in statute.	Currently State law requires that HCD provide a regional determination to a COG at least 26 months before a housing element due date. For the 6th cycle SCAG staff requested HCD to provide it at an earlier date to have more time to coordinate the concurrent Sustainable Communities Strategy, prepare the RHNA methodology, increase local engagement, and have potentially additional time to hear RHNA appeals (see comment #21). However, HCD did not fulfill this request and provided the determination in August 2019, exactly 26 months prior to the October 2021 housing element due date. SCAG staff recommends an earlier date be codified to receive a regional determination.	<i>Legislative change</i>
<b>Methodology</b>			
8	The RHNA methodology should consider factors such as land unavailable for development or available sites.	SCAG cannot limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions and must consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. While there may be some areas that are not suitable for residential development, it does not preclude a jurisdiction from evaluating areas that are suitable for development and	<i>No change</i>

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		considering planning tools to accommodate housing need such as increased density, affordable housing overlays, and mixed-used zoning. However, SCAG staff recommends consideration of a variety of opportunities and constraints as part of the 7 <sup>th</sup> cycle methodology development, starting in 2026.	
9	The RHNA allocation should remain more in line with Connect SoCal growth estimates. Consistency between the two plans should be the primary objectives instead of an equally uniform distribution. SCAG should better illustrate the relationship between the two plans. The methodology should completely align with Connect SoCal goals and remove conflicting factors such as using a car to travel to jobs.	The RHNA allocation is a representation of existing and projected housing based on DOF projections, which is a single-objective population forecast. The RTP/SCS is long range vision plan that uses growth estimates consider employment growth or housing growth explicitly and is based on a requirement to meet any future conformity, GHG, and other policy target.	<i>No change</i>
10	The RHNA methodology should only consider data until the end of the RHNA planning cycle rather than the longer-term projections of the Connect SoCal plan.	The 6 <sup>th</sup> cycle methodology-based factors such as projected growth, transit access, and job access based on 2045 data from Connect SoCal rather than the end of the RHNA planning cycle (2029). The reason for this was to better align RHNA with the development pattern of Connect SoCal. The data available for interim years of Connect SoCal, rather than the horizon year (2045), generally go through less rigorous development and public outreach/comment processes. Furthermore, since it is anticipated that housing stock built during the next cycle of RHNA will be in use for several decades, it is meaningful to align it to transportation, job, and other factors associated with the plan's horizon year. SCAG staff do not recommend changes to this methodology assumption for future RHNA cycles. However,	<i>To explored by SCAG in the 7th RHNA cycle and include in letter.</i>

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		this assumption, along with others, will be reviewed and determined as part of the 7 <sup>th</sup> RHNA cycle starting in 2026.	
11	The threshold of whether a jurisdiction was categorized as a disadvantaged community should be reconsidered.	The 6 <sup>th</sup> cycle methodology used adjusted formulas for jurisdictions designated as disadvantaged. A jurisdiction was considered disadvantaged if 50 percent or more of its population resided in low resource areas. SCAG staff are exploring other ways to include equity and furthering AFFH in the 7th cycle.	<i>To explored by SCAG in the 7th RHNA cycle and include in letter.</i>
12	The distribution of RHNA should ensure that higher income jurisdictions receive their fair share of regional need.	The existing RHNA methodology ensures that each jurisdiction must receive a fair share of their regional housing need. This includes a fair share of planning for enough housing for all income levels, and consideration of factors that indicate areas that have high and low concentration of access to opportunity. SCAG will continue to further these goals in future RHNA cycles.	<i>No change</i>
13	There should be a stronger relationship between jobs and housing. Areas that have a high concentration of jobs should receive a higher allocation. Jurisdictions that initiate job growth should accommodate housing growth. The income level of jobs should be a factor.	One of the five objectives of State housing law require that the methodology further an improved relationship between jobs and housing. Job growth and housing development should be closely linked at a regional level, and the RHNA methodology and allocation can help ensure that both are addressed regionally in a coordinated manner. The 6th cycle methodology considered job access as one of the factors for determining a jurisdiction's housing need. SCAG staff recommends that the methodology continue to consider the jobs housing relationship across the region through the exact approach will be decided by the 7th cycle RHNA process.	<i>To explored by SCAG in the 7th RHNA cycle and include in letter.</i>
14	The RHNA methodology should consider factors such as density, overcrowding, telework, and the presence of a	The 6 <sup>th</sup> cycle RHNA methodology considered a variety of factors as part of the development process. Factors such as density, overcrowding, and the presence of a university were	<i>To explored by SCAG in the 7th RHNA cycle and</i>

	<i>Comment Summary</i>	<i>Staff Response</i>	<i>Recommendation</i>
	university. More allocation should be assigned to areas with HQTAs and transit.	considered but not ultimately included in the adopted methodology. Areas with population within an HQTAs were assigned housing need based on this factor. Remote work was not included as a specific consideration. SCAG staff recommends consideration of a variety of factors, including these, as part of the 7 <sup>th</sup> cycle methodology development, starting in 2026.	<i>included in comment letter.</i>
15	Assigning need based on HQTAs disincentivizes jurisdictions from incorporating transit infrastructure since they will get assigned more housing need.	Connect SoCal is supported by a combination of transportation and land use strategies that outline how the region can achieve California’s greenhouse gas emission reduction goals and federal Clean Air Act requirements. The plan also strives to achieve broader regional objectives, such as the preservation of natural lands, improvement of public health, increased roadway safety, and support for the region’s vital goods movement industries. Transit is a core component of the Connect SoCal Plan and because a degree of consistency is required between RHNA and Connect SoCal, there needs to be a consideration of transit in the RHNA methodology. SCAG staff will explore additional methods to consider transit as a factor in RHNA methodology.	<i>To explored by SCAG in the 7th RHNA cycle</i>
16	More time should be made available for jurisdictions to review the methodology.	SCAG is committed to maximizing public participation in the RHNA process, including the development of the methodology. An earlier regional determination from HCD than what is currently in statute would allow for a longer methodology development process. SCAG recommends that the regional determination be provided earlier so that the methodology development process can include more meaningful local engagement and maximizing public participation (see comment #7)	<i>Legislative change to add earlier regional determination from HCD</i>

	<i>Comment Summary</i>	<i>Staff Response</i>	<i>Recommendation</i>
<b>Appeals</b>			
17	The appeal process should not allow for jurisdictions to appeal the allocation of other jurisdictions	State legislation allows other jurisdictions and HCD to appeal another jurisdiction's draft RHNA allocation. To allow for adequate due process, SCAG staff believes it is important to allow for a jurisdiction to appeal to each other's RHNA allocation number.	<i>No change</i>
18	The bases for appeal should not be expanded	State housing law allows three bases for appeal, which includes the application of the RHNA methodology, change of circumstance, and a specific list of land use factors. The specific list allows the opportunity for the COG to adopt other land use factors during the earlier methodology process. The 6 <sup>th</sup> cycle RHNA methodology did not include any other factors, but future RHNA methodologies could consider and adopt additional factors that would be included in the bases for appeal.	<i>No change</i>
19	More guidance on what should be in an appeal and what is likely a reasonable appeal request should be provided	For the 7th cycle, SCAG staff will explore preparing a guidebook to help appellants more easily understand how to file an appeal, what information should be included in an appeal, and three bases on which an appeal can be filed.	<i>To explored by SCAG in the 7th RHNA cycle.</i>
20	The appeals process should be meaningful and not be perfunctory	SCAG staff reviews every filed RHNA appeal diligently and values meaningful stakeholder feedback. SCAG is committed to maintaining transparency and fairness in reviewing the merits of an appeal and will continue this into future RHNA cycles.	<i>No change</i>



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21	The appeals process needs additional time.	Once SCAG distributes a draft RHNA allocation, the subsequent appeals process, including appeals filings and all public hearings, must conclude within 120 days. While a COG has the option to have an additional 30 days to hold public hearings for appeals, due to the processing of public comments and requirements of noticing public hearings, this option is infeasible to adopt a final RHNA allocation on time. SCAG recommends additional time be added to the appeals process and that the regional determination be provided by HCD sooner so a COG can extend its appeal time, as needed (see comment #7)	<i>SCAG and Legislative change</i>
<b>Other</b>			
22	The State should provide funding to jurisdictions to build affordable housing commensurate with RHNA allocation	Staff will inquire if the state has considered having RHNA allocation be one of the considerations for housing funding opportunities. Linking RHNA allocation to the amount of funding may help jurisdictions meet their RHNA targets.	<i>SCAG and HCD administrative changes</i>
23	Trade and transfer should be allowed. Jurisdictions with funding and no sites should be able to contribute to affordable housing in jurisdictions that have available land.  Trade and transfer should not be allowed.	Until the 6 <sup>th</sup> RHNA cycle, trade and transfer of draft RHNA allocation units was a statutorily available option for all jurisdictions to exchange some of their draft RHNA allocation with another jurisdiction. However, no transfers took place during the 4 <sup>th</sup> and 5 <sup>th</sup> RHNA cycles.  Housing production is the ultimate goal of RHNA and including an additional opportunity to expedite or fund production, particularly for affordable housing, would create flexibility in areas that lack funds and resources to do so. Reinstating a trade and transfer option would require a legislative change and would need to further state housing objectives, including affirmatively furthering fair housing (AFFH). In certain cases, such as a transfer of units from a high resource jurisdiction to a	<i>Legislative change</i>

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		<p>lower resource jurisdiction, may run against AFFH principles. SCAG staff recommends that legislation to reinstate this option include limitations how and/or from whom the transfer of draft RHNA allocation units occur. Examples could include limiting a transfer to market rate units only or only allowing transfers from communities designated as disadvantaged.</p>	
24	<p>Subregional delegation that allows for two or more geographically contiguous jurisdictions to form a subregion to develop their own methodology is inconsistent with goals of RHNA</p>	<p>State law allows for two or more geographically contiguous jurisdictions to form a “subregion”. In such cases, SCAG would assign a share of regional housing need to the subregion. The subregion would be required to develop its own methodology, conduct its own appeal process, and have its final allocations collectively meet the determination given by SCAG. SCAG would review the subregion’s methodology provided to ensure it is consistent with SCAG’s regional allocation methodology and must also abide by State law. No jurisdictions elected to undertake subregional delegation for the 6<sup>th</sup> cycle despite financial incentives offered by SCAG. To maintain this flexibility and allow jurisdictions to have a more tailored approach, staff recommend maintaining subregional allocation.</p>	<i>No change</i>
25	<p>More time is required between issuance of final RHNA allocation and statutory deadline for housing element adoption</p>	<p>SCAG staff supports providing jurisdictions more time between the issuance of RHNA allocation and the statutory deadline for housing element adoption. To maximize its preparation time, jurisdictions may also begin working on their housing element when they receive their draft allocation.</p>	<i>SCAG change</i>

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26	SCAG should recommend that an audit be performed on SCAG's 6 <sup>th</sup> cycle regional determination.	The State audit of HCD's regional determination process made several findings and provided recommendations for HCD to address them. The audit's parameters were to review the process for determination and not whether the data and final determinations were accurate. The audit was based on the review of the processes for three different COGs/areas but excluded SCAG from consideration due to an active lawsuit regarding SCAG's determination. SCAG staff believes that a separate audit for SCAG would produce similar conclusions and does not recommend another audit.	<i>No change</i>
27	Housing Element law does not fully take into account challenges to ultimately produce housing units, especially for affordable housing.	There are numerous challenges that are not addressed in State housing law that ultimately limit the production of affordable housing. Barriers to building, such as the cost of land, materials, and labor, are beyond the scope of the planning process. Housing production is the ultimate goal of housing law, but the law currently does not address these challenges that are faced throughout the SCAG region.	<i>Request that HCD review housing element law to address challenges to housing building and production.</i>