

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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December 10, 2020

Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Dear Executive Director Ajise:

RE: Comment on Appeals of the Draft Regional Housing Need Allocation (RHNA) Plan

Thank you for the opportunity to comment on the 52 appeals Southern California Association of Governments (SCAG) has received regarding the draft RHNA plan. The appeal process is an important phase in the development of a RHNA plan that ensures that all relevant factors and circumstances are considered.

The only circumstances under which a jurisdiction can appeal are:

- 65584.05(b)(1): The council of governments failed to adequately consider the information regarding the factors listed in subdivision (e) of section 65584.04.
- 65584.05(b)(2): The council of governments failed to determine the share of the regional housing need in a manner that furthers the intent of the objectives listed in subdivision (d) of section 65584.
- 65584.05(b)(3): A significant unforeseen change in circumstances occurred in the local jurisdiction that merits a revision of the information submitted pursuant to subdivision (e) of Section 65584.04.

The California Department of Housing and Community Development (HCD) urges SCAG to only consider appeals that meet these criteria.

Per Government Code section 65584.05(e)(1), SCAG's final determination on whether to accept, reject, or modify any appeal must be accompanied by written findings, including how the final determination is based upon the adopted RHNA allocation methodology, and how any revisions are necessary to further the statutory objectives of RHNA described in Government Code section 65584(d).

Among the appeals based on Government Code section 65584.05(b)(1), several appeals state that SCAG failed to consider the factor described in Government Code section 65584.04(e)(2)(B), citing the lack of land suitable for development as a basis for the appeal. However, this section states the council of governments may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and

land use restrictions. Any comparable data or documentation supporting this appeal should contain an analysis of not only land suitable for urban development, but land for conversion to residential use, the availability of underutilized land, and opportunity for infill development and increased residential densities. In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.

With regard to appeals submitted related to Government Code section 65584.05(b)(2), that SCAG failed to determine the RHNA in a manner that furthers the statutory objectives, it should be noted that HCD reviewed SCAG's draft allocation methodology and found that the draft RHNA allocation methodology furthered the statutory objectives described in Government Code section 65584.

Among the appeals based on Government Code section 65584.05(b)(2), several contend that the cap on units allocated to extremely disadvantaged communities (DACs) does not further RHNA's statutory objectives. This cap furthers the statutory objective to affirmatively further fair housing by allocating more units to high opportunity areas and fewer units to low resource communities, and concentrated areas of poverty with high levels of segregation. Due to the inclusion of this factor, as well as the use of TCAC/HCD Opportunity Maps, SCAG's methodology allocates 14 of the top 15 highest shares of lower-income RHNA to jurisdictions with over 99.95 percent High and Highest Resource areas. With the exceptions of two jurisdictions, the 31 jurisdictions with the highest share of lower-income RHNA are all over 95 percent High and Highest Resource areas. Any weakening of these inputs to the methodology could risk not fulfilling the statutory objective to affirmatively further fair housing.

Several appeals argue that SCAG's RHNA allocation methodology does not adequately promote access to jobs and transit, as required in objectives two and three. HCD's review of SCAG's RHNA methodology found the allocation does further the environmental principles of objective two. SCAG's overall allocation includes significant weight related to the location of high-quality transit areas and the regional distribution of jobs that can be accessed within a 30-minute driving commutes. Regarding objective three, HCD's analysis as to whether jobs-housing fit was furthered by SCAG's draft methodology found that across all jurisdictions there is generally good alignment between low-wage jobs and lower-income RHNA, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower-income RHNA for the region and their percentage low-wage jobs for the region.

Several appeals are based upon the provision described in Government Code section 65584.05(b)(3), arguing that the COVID-19 pandemic represents a significant and unforeseen change in circumstances that will affect future population and job growth. Ensuring everyone has a home is critical to public health. Reducing and preventing overcrowding and homelessness are essential concerns for every community. The COVID-19 pandemic has only increased the importance that each community is planning for sufficient affordable housing.

Lastly, several appeals state that the Regional Housing Needs Determination (RHND) HCD provided to the SCAG region is too large. SCAG submitted an objection to the RHND at the appropriate time and through the appropriate process. HCD considered those objections and [determined the final RHND for 6th Housing Element Cycle for the SCAG region on October 15, 2019](#). There are no further appeal procedures available to alter the SCAG region's RHND for this cycle. Government Code section 65584.05(b) does not allow local governments to appeal the RHND during the 45-day period following receipt of the draft allocation.

HCD acknowledges that many local governments will need to plan for more housing than in the prior cycle to accommodate a RHND that more fully captures the housing need and as the statutory objectives of RHNA shift more housing planning near jobs, transit, and resources. The Southern California region's housing crisis requires each jurisdiction to plan for the housing needs of their community and the region. In recognition of this effort there are more resources available than ever before to support jurisdictions as they prepare to update their 6th cycle housing elements:

- SB 2 Planning Grants – \$123 million one-time allocation to cities and counties
- SB 2 Planning Grants Technical Assistance offered to all jurisdictions
- Regional and Local Early Action Planning Grants – \$238 million one-time allocation for local and regional governments
- SB 2 Permanent Local Housing Allocation – approximately \$175 million annually in ongoing funding for local governments to increase affordable housing stock

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Deputy Director, megan.kirkeby@hcd.ca.gov.



Megan Kirkeby
Deputy Director