

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

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August 27, 2020

Sarah Jepson, Director of Planning
Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

Dear Sarah Jepson:

RE: SCAG Pre-certified Local Housing Data and ADU Affordability Analysis

Thank you for the opportunity to review the Southern California Association of Governments (SCAG) Pre-certified Local Housing Data. The California Department of Housing and Community Development (HCD) applauds SCAG for its effort to assist local governments in complying with the statutory requirements of Housing Element law. The Local Housing Data prepared for SCAG members will provide an important tool to save costs and time in updating Housing Elements for all local governments in the SCAG region for the 6th Cycle Housing Element.

Housing Element law requires a quantification and analysis of existing housing needs. The SCAG Local Housing Data addresses most of the requirements for quantification of existing housing needs,¹ including:

- Identification of population and employment trends;
- Household characteristics (i.e., existing households by tenure, existing extremely low-income households, total, lower and extremely low-income households overpaying, overcrowded households);
- Special needs (i.e., number of persons with disabilities, number of persons with developmental disabilities, elderly households by tenure, large households by tenure and female headed households); and
- Regional Housing Need Allocation (RHNA) by income group, including extremely low-income households.

¹ Local governments must still quantify farmworkers and in some cases, persons experiencing homelessness. Also, some data may require supplemental information such as persons experiencing homelessness, estimates of the number of units in need of rehabilitation and replacement and inventory of units at-risk of conversion to market rate uses.

HCD has reviewed the Local Housing Data and determined it meets statutory requirements for the quantification of existing and projected housing needs as described above. The Local Housing Data will not be subject to further HCD review as part of the Housing Element update process. Further, the Local Housing Data provide a useful and adequate starting point for analysis, however, this initial analysis should be supplemented with discussion of characteristics, trends, resources and unmet needs, as appropriate, to inform policies and programs. For more information on analysis requirements, please see HCD's Building Blocks at <https://www.hcd.ca.gov/community-development/building-blocks/index.shtml>.

In addition, HCD has reviewed the SCAG Regional Accessory Dwelling Unit Affordability Analysis. Local governments may utilize accessory dwelling units (ADU) to demonstrate adequate sites to accommodate the RHNA. To utilize ADUs, housing elements must include an analysis of the affordability of ADUs, among other requirements. HCD has determined the SCAG Regional ADU Affordability Analysis meets statutory requirements and will not be subject to further HCD review as part of the housing element update.² However, housing elements must address additional requirements to utilize ADUs toward the RHNA such as ADU development trends, resources and incentives and policies and programs.

HCD commends the tremendous efforts SCAG, particularly Kevin Kane, Program Manager, Tom Vo, Senior Regional Planner, and Meg Healy, Assistant Regional Planner, provided in making the data available to assist the preparation and review of housing elements. HCD looks forward to continuing working with SCAG and its members in the update of the housing elements. If you have any questions, please email me at paul.mcdougall@hcd.ca.gov or Tom Brinkhuis at tom.brinkhuis@hcd.ca.gov.

Sincerely,



Paul McDougall
Housing Policy Manager

² Local jurisdictions may elect to supplement this analysis with additional data or pursue a different approach toward demonstrating the affordability of ADUs which may be subject to further HCD review.