



**2020** —————  
**SACRAMENTO  
SUMMIT**

# ABOUT SCAG

Founded in 1965, the Southern California Association of Governments (SCAG) is a Joint Powers Authority under California state law, established as an association of local governments and agencies that voluntarily convene as a forum to address regional issues.

SCAG is also the nation's largest metropolitan planning organization (MPO) and represents six counties—Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura—and 191 cities in an area covering more than 38,000 square miles. The agency develops long-range regional transportation plans and compiles the Federal Transportation Improvement Program (FTIP) for the Southern California region. At the state level, SCAG develops the Sustainable Communities Strategy, which demonstrates the region's attainment of greenhouse gas reduction goals

set by the California Air Resources Board, and the allocation plan for the Regional Housing Needs Assessment (RHNA).

SCAG is governed by an 86-member board of directors known as the Regional Council whose membership includes local and county elected officials. Additionally, SCAG Bylaws provide for representation of Native American tribes, air quality districts, and the Transportation Corridor Agencies on the Regional Council and Policy Committees.

In addition, SCAG works in partnership with six county transportation commissions that hold the primary responsibility for programming and implementing transportation projects, programs, and services in their respective counties.

## THE SCAG REGION

**6**  
COUNTIES

**191**  
CITIES

**48%**  
STATE  
POPULATION

**5.8%**  
U.S.  
POPULATION

**38,618**  
SQUARE  
MILES



**19.1M** RESIDENTS



**15th** LARGEST  
ECONOMY IN  
THE WORLD



**\$1.2T** REGIONAL  
GDP



**40%** NATION'S  
CONTAINER  
IMPORTS



# MAKING CONNECTIONS: SCAG'S CONNECT SOCIAL PLAN

The 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), known as Connect SoCal, is a long-range visioning plan that seeks to meet the region's air quality and greenhouse gas reduction goals, while balancing future mobility and housing needs with economic, environmental and public health goals. Connect SoCal embodies a collective vision for the region's future and is developed with input from local governments, county transportation commissions (CTCs), tribal governments, non-profit organizations, businesses, and local stakeholders within the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

What is at the heart of Connect SoCal are over 4,000 transportation projects—ranging from highway improvements, railroad grade separations, additional bicycle lanes, new transit hubs, and replacement bridges. These future investments were included in county plans developed by the six CTCs and seek to reduce traffic bottlenecks, improve the efficiency of the region's network, and expand mobility choices for everyone.

Connect SoCal is an important planning document for the region, allowing project sponsors to qualify for federal funding. The plan takes into account operations

and maintenance costs to ensure reliability, longevity, and cost effectiveness. In addition, Connect SoCal is supported by a combination of transportation and land use strategies that help the region achieve state greenhouse gas emission reduction goals and federal Clean Air Act requirements, preserve open space areas, improve public health and roadway safety, support our vital goods movement industry, and utilize resources more efficiently.

At the end of January 2020, SCAG completed the public input period for the Draft Connect SoCal plan. As part of the outreach efforts, SCAG held three public hearings, a webinar, a tele-town hall, and 21 briefings for local elected officials throughout the region. Upon closing the comment period, SCAG received more than 2,000 comments on the draft plan. A report summarizing the entirety of comments will be presented to the Regional Council on March 5, 2020, and consideration of a Proposed Final Connect SoCal plan is anticipated at the Regional Council meeting on April 2, 2020.

For more information, please visit [connectSoCal.org](https://connectSoCal.org).



# ADDRESSING THE STATE'S HOUSING CRISIS



California is in the midst of a long-term structural housing shortage and affordability crisis. The housing crisis is a two-part problem—a shortage of housing and a lack of affordability. The region’s housing supply has not kept up with population growth. From 2006 to 2016, an additional 930,000 people called Southern California home. But over a comparable period, only one new housing unit was created for every 3.32 persons added. Many areas in Riverside and San Bernardino counties were appealing for development due to the availability of lower priced land, which attracted new residents looking for larger or lower priced housing. Jobs, however, did not follow in proportion to housing unit growth in these communities. As a result, residents of the Inland Empire have to travel longer distances on average than other Southern Californians to reach their jobs.

Accommodating growth in centers—whether transit centers, job centers, urban centers, or suburban centers—has served as the foundation of SCAG’s regional planning with the aim of maximizing the value of infrastructure investments and enabling shorter trips to improve air quality and reduce congestion. Here are legislative principles that SCAG believes would move our region’s housing goals forward.

## HOME BUILDING HAS NOT KEPT UP WITH POPULATION GROWTH



## 1 Increase Local Capacity for Housing Development

The loss of funding for housing that came with the elimination of local redevelopment agencies (RDA) has severely curtailed the development of affordable housing in the SCAG region and entire state. It is estimated that as many as 8,000 affordable housing units are not built statewide each year due to the loss of the 20 percent “set aside” required by RDAs. Moreover, the average cost to construct an average affordable housing unit in Southern California is \$500,000, according to informal industry feedback. Meanwhile, a housing unit costs the same to build regardless of whether that unit is “affordable” or “market rate.” Local governments require increased capacity to help reduce the cost associated with developing affordable housing.

Various economic development tools have been introduced since the dissolution of RDAs, including Enhanced Infrastructure Financing Districts (EIFDs), though only three have been formed statewide since the Legislature created them in 2014. As a service to our members, SCAG has invested innumerable time and resources in bringing multiple stakeholders together to evaluate the feasibility of establishing EIFDs in local communities. Because of this experience:

- SCAG supports the restoration and expansion of tax increment tools to build affordable housing stock, improve public transit, and reduce climate-warming carbon emissions.
- SCAG supports Senate Bill (SB) 795 (Beall, McGuire, Portantino), which would create the Affordable Housing and Community Development Investment Program that would assist local governments in constructing affordable housing, implementing transit-oriented development, and supporting infill development.



## 2

### Provide CEQA Streamlining for Affordable Housing

California Environmental Quality Act (CEQA) was signed into law by Governor Ronald Reagan in 1970 and since that time, the law has undergone no major reform. Abuses of CEQA have stopped responsible community improvements that benefit both the environment and the economy. It also leads to increased construction timelines that translate to increased costs for developers. It is time to modernize CEQA and preserve the intent of the law—environmental protection and public participation—while limiting CEQA abuses. Environmental lawsuits typically target high-density housing and transit projects in urban locations, precisely the types of projects that must be built to relieve the state’s housing crises.

SCAG supports a legislative fix to accelerate the construction of new housing units by allowing for a streamlined CEQA process. Providing CEQA streamlining for housing projects would allow developers to reduce costs and shorten construction timelines, and it would result in new housing units being constructed in California’s communities. Parameters that could be considered in legislation to provide CEQA streamlining for housing projects might include:

- Support CEQA reform to expedite and streamline both project development and delivery, especially for transportation, transit-oriented, infill, and/or housing projects.
- Support measures that require transparency in CEQA litigation and eliminate duplicative CEQA lawsuits.
- Establish a CEQA-specific court or judicial procedure that is specialized in CEQA case law and related statutes in an effort to expedite legal review of CEQA challenges.
- Provide judicial streamlining and an accelerated schedule for judicial review for projects challenged under CEQA when those projects have a clear public benefit, such as transportation, transit-oriented, infill, and/or housing projects.

## 3

### Reinstate the RHNA Trade & Transfer

One notable change from the 5th RHNA planning cycle (2013-2021) to the 6th RHNA planning cycle (2021-2029) is the prohibition of two local governments to agree to an alternative distribution of housing allocations between their jurisdictions. During the 5th RHNA Cycle, jurisdictions were allowed to reach an agreement to “trade” or “transfer” portions or all of their allocation, so long as the total number of units were not reduced. Assembly Bill (AB) 1771 (Chapter 989, Statutes of 2017) removed this tool from local governments.

Although it was not widely used during previous RHNA cycles, reinstating the trade or transfer provision would provide local governments with a tool that grants some level of flexibility while ensuring that the overall number of needed housing units remains the same. Parameters that could be considered in legislation to reinstate the practice of trade or transfer might include:

- Requiring that a RHNA trade or transfer be among cities in the same county, within a recognized sub-region, or between unincorporated county and cities in the same county;
- Requiring that a RHNA trade or transfer be among contiguous cities only or only among cities with an inclusionary housing element;
- Allowing for the trade or transfer of up to only a certain percentage of the jurisdiction’s total allocation; or
- Requiring that any financial consideration given from one city to another be used to support below-market rate housing programs in that city.

# UPDATE ON THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) PROCESS

The RHNA is a requirement of State housing law and is a process that determines projected and existing housing need for all jurisdictions in California. Every jurisdiction must plan for its RHNA allocation in its housing element of its General Plan by ensuring there is enough sites and zoning to accommodate its RHNA allocation. Many jurisdictions use the housing element as an opportunity to complement their economic development, open space, and sustainability goals with its housing goals.

SCAG is in the process of developing the 6th cycle RHNA allocation plan which will cover the period of October 2021 through October 2029. The RHNA process has several milestones before the adoption of a final allocation plan. In August 2019, the California Department of Housing and Community Development (HCD) provided a regional housing need determination of 1.34 million units for the region.

SCAG is required to develop a methodology to distribute the regional determination so that every jurisdiction will receive a share of the regional number. Starting in the summer of 2019, SCAG sought public comment on several options for a Proposed RHNA Allocation Plan and received over 300 comments. On November 7, 2019, the Regional Council approved a Draft RHNA Methodology to be submitted to HCD. After a review period, HCD approved the Draft RHNA Methodology, on January 13, 2020. The Regional Council will consider adoption of the Final RHNA Methodology during its March 5, 2020 meeting. The final RHNA allocation is expected to be adopted by the Regional Council in October 2020.

SCAG staff conducted an educational briefing on the RHNA program on February 4, 2020, for district staff to our region's state and federal lawmakers. SCAG remains at the ready to assist your office with constituent questions and concerns on this topic or any other SCAG-related program.



# LEGISLATURE APPROVES AB 101 – STATE PLANNING FUNDS

AB 101 (Chapter 159, Statutes of 2019) provides an infusion of one-time grants for jurisdictions and regions to increase planning activities and accelerate housing production. A total of \$250 million is available under AB 101, with half appropriated to the Local Early Action Planning Grants Program (LEAP) for local jurisdictions and the other half appropriated to the Regional Early Action Planning Program (REAP) for councils of governments (COGs) and regional entities across the state.

As the COG for a six-county region, SCAG is eligible to apply for up to \$47.4 million in one-time funding under the REAP program. Eligible activities for this funding includes education and outreach strategy to inform jurisdictions of the benefits of early action on the 6th RHNA Cycle and housing element updates, rezoning and encouraging development by updating planning documents and ordinances, performing infrastructure planning, including sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents, establishing regional or countywide housing trust funds for affordable housing, among other uses.

Coupled with the LEAP program and SB 2 Planning Grants, REAP program funds advance the state's commitment to address the housing shortage. In January 2020, SCAG conducted outreach and program development to ensure that the goals of SCAG's REAP program align with the needs of jurisdictions in the

region. City managers, county managers, and planning directors identified numerous priorities for housing funding through a survey administered by SCAG, including:

- Education, engagement and outreach;
- Planning for housing-supportive infrastructure;
- Performing feasibility studies;
- Technical assistance;
- Streamlining local environmental clearance for housing; and
- Streamlining planning and permitting.

The REAP program includes an option for SCAG to submit an early application for up to 25 percent of the maximum amount it is eligible for, amounting to \$11.8 million. In February 2020, the Regional Council authorized SCAG staff to apply for its 25 percent share for an Early Action Plan. It will be used to cover the cost of the 6th cycle RHNA Methodology and Allocation process, developing a comprehensive outreach and community engagement program, procuring consultant support to develop guidelines for a direct allocation program, creating new funding categories within SCAG's 2020 Sustainable Communities Program to be issued this summer to support housing preservation and production, and conducting preliminary research and GIS analysis to identify opportunities and barriers to housing production in priority growth areas.



## MAIN OFFICE

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Los Angeles, CA 90017  
Tel: (213) 236-1800

## COUNTY REGIONAL OFFICES

*All regional offices are video conference enabled*

### Imperial

1503 North Imperial Ave., Ste. 104  
El Centro, CA 92243

### Orange

600 South Main St., Ste. 741  
Orange, CA 92868

### Riverside

3403 10th St., Ste. 805  
Riverside, CA 92501

### San Bernardino

1170 West 3rd St., Ste. 140  
San Bernardino, CA 92410

### Ventura

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