



## Land Use & Natural Resources Committee

Meeting Date: November 7, 2019

Agenda Item No. 3

### Selection of Regional Housing Needs Allocation Methodology

Action

**Prepared by:** Greg Chew

**Approved by:** Clint Holtzen

**Attachments:** Yes

#### 1. Issue:

At its November 21, 2019 meeting, the SACOG Board of Directors may adopt a single draft allocation of regional housing needs, as outlined in the Draft Regional Housing Needs Allocation (RHNA) Methodology Menu released in September.

#### 2. Recommendation:

That the Land Use and Natural Resources Committee recommend that the board approve Option C as the Methodology for the Cycle 6 Regional Housing Needs Allocation process.

#### 3. Background/Analysis:

RHNA's purpose is to ensure that cities and counties are zoning enough land to accommodate projected growth between 2021 and 2029. State housing law requires SACOG to develop and adopt a RHNA every eight years. SACOG worked with local government housing planners for the past year to develop draft methodologies for allocating housing numbers to jurisdictions. Basic background information about RHNA can be found on the SACOG website at <https://www.sacog.org/post/rhna-faqs>.

Since March 2019, staff has provided several presentations about RHNA to the SACOG board and committees. At its September 19, 2019 meeting, the SACOG Board released for 60-days of public comment a Draft RHNA Methodology Menu (Attachment A). As part of this review period, the SACOG Board held a public hearing on October 31, 2019, to receive comments on the four methodology options in the Draft RHNA Methodology Menu. Simultaneously, the California Housing and Community Development Department (HCD) is conducting its review of the four methodology options.

The public comment period will close November 21, 2019. All written and oral comments received by SACOG staff from the public and local agencies by November 8, 2019, will be included in the staff report for the November 21<sup>st</sup> board meeting; any written comments received after November 8 will be given to the board at the meeting.

Because HCD is reviewing SACOG's draft methodologies during the public review period, it is possible HCD will request changes to the draft methodologies. If that happens, or if the LUNR committee and SACOG board opt to modify the methodologies, the methodologies would need to be adjusted and re-submitted to HCD for another 60-day review period.

If the board selects and approves one RHNA methodology, then the next steps in the RHNA process are as follows:

- Local agencies may appeal the methodology within 45 days of the board action (per California Government Code Section 65584.05(b)).
- Following any appeals by local agencies, the SACOG board will reject or accept an appeal and take follow-up action, as needed, in early 2020.
- The final Regional Housing Needs Plan (RHNP) must be adopted by SACOG no later than the last day of the sixth month after the adoption of the SACOG Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). As the SACOG Board is potentially moving up the adoption date of the MTP/SCS to November 18, 2019, the RHNP adoption would have to take place as early as May 31, 2020. (The MTP/SCS adoption date is now three months earlier than the original scheduled MTP/SCS adoption date of Feb 2020, thus the RHNP is being moved by three months earlier than the originally scheduled Aug 2020).
- Local governments' housing elements are due to HCD no later than the last day of the 18<sup>th</sup> month after the adoption of the MTP/SCS. As the SACOG Board is potentially moving up the adoption date of the MTP/SCS to November 18, 2019, local government housing elements would be due May 31, 2021.

#### **4. Discussion/Analysis:**

At the Board's October 31<sup>st</sup> public hearing, staff presented Option C from the methodology menu, as the recommended methodology for SACOG's 2021-2029 RHNA. This recommendation is made based on staff's analysis of all four options, and input from the public and local planning staff. This option employs a moderate impact from the regional income parity adjustment, a high impact from the affirmatively further fair housing adjustment, and a high impact from the jobs-housing fit adjustment. Staff believes Option C meaningfully furthers RHNA objectives and responds to the input heard from public and local planners about the potential overlap between regional income parity and the AFFH factors. More information about staff's recommendation for Option C is included in Attachment A.

Finally, while staff is recommending Option C, all four options in the Draft RHNA Methodology Menu further the statutory objectives of RHNA. This means that the Board may elect to adopt any of the four options at the November 21, 2019 meeting without the need to resubmit to HCD, and pending HCD's approval of all four options.

#### **5. Fiscal Impact/Grant Information:**

This project is funded with a combination of SACOG's federal and state planning funds in the adopted Fiscal Year 2019-2020 OWP and budget.

#### **6. This staff report aligns with the following SACOG Work Plan Goals:**

1 - Advance Economic Prosperity