



Land Use, Housing & Air Quality Committee

Item #07-6-6
Information

June 4, 2007

Regional Housing Needs Allocation (RHNA) – Incentive and Transfer Programs

Issue: To provide feedback from local planners on the RHNA Incentive and Transfer Programs.

Recommendation: This is for information only.

Discussion: At its May 17 meeting, the SACOG Board of Directors released RHNA Methodology #2 for public review and directed staff to further develop incentive and transfer programs that are to work in conjunction with this methodology. This item is to update the LUHAQ Committee on SACOG staff's recommendations based on its May 23 meeting with the Planners Committee, which is comprised of the planning directors and staff of SACOG member jurisdictions.

The incentive and transfer programs in Methodology #2 are intended to address two problems, both that lead to some jurisdictions receiving "extra" housing allocation units in the low and very low income categories. The first issue is that because Methodology #2 uses a 50-year timeframe (versus 35-year), jurisdictions that have historically provided more units in the low and very low categories would have to continue take a higher share. The second issue is that the 30% maximum on the low and very low-income categories causes units that exceed this amount to be distributed to jurisdictions that do not reach the 30% ceiling.

The Planners Committee generally agreed that the Incentive Program makes sense. The Incentive Program would allocate federal transportation funding to jurisdictions that "take" more units as a result of the 50-year trend line and 30% ceiling. The funds would be programmed through the Community Design Program to projects that are eligible for federal transportation funds. Recipient jurisdictions would be required to show that the units are built and deed restricted for low and very low income units. The incentives would be front-loaded, meaning they would be given as soon as the building permits are issued, and not after jurisdictions meet their "regular" allocations. Jurisdictions would need to provide the data from their Annual Housing Element Progress Reports.

The Planners Committee participants stated that no jurisdictions would likely use a program to transfer allocations from one jurisdiction to another for this upcoming RHNA cycle. Even if there are willing "senders" and "receivers," there probably wouldn't be enough time to complete an agreement before the RHNA is adopted. However, participants did believe that the option to transfer could be helpful in future RHNA cycles. The committee concluded that if any jurisdictions are interested for the 2006-13 cycle, then they may request SACOG staff to further develop the details of the program.

Approved by:

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Executive Director

MM:GC:ts
Attachment

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SACOG Regional Housing Needs Allocation (RHNA)

RHNA INCENTIVE PROGRAM

Program Description (Draft May 29, 2007)

Background

The RHNA Incentive Program is a conditional component to Methodology #2. The SACOG Board of Directors released Methodology #2 for public review with the condition that if Methodology #2 is ultimately adopted, an incentive program must accompany it. This document provides a description of the Incentive Program, as developed by SACOG Staff and reviewed by the SACOG Planners Committee, which is comprised of the planning directors and planning staff of SACOG members.

Methodology #2 uses an income distribution that uses a 50-year trajectory and a 30% maximum for the low income and very low-income categories. Approximately 1800 “overage” units of low and very low-income units shifted because of the 50-year trajectory (versus 35-year) and the 30% maximum that any jurisdiction may receive for its low or very low income categories.

Program Structure

Conceptually, the SACOG staff is recommending something similar in structure to the Metropolitan Transportation Commission’s Housing Incentive Program. As applied to SACOG, here is an outline of how the program would work:

- Jurisdictions receiving additional allocation would receive incentives if the “overage” units are built within the RHNA cycle. The jurisdiction would receive no more than the total overage amount identified by SACOG staff.
- Jurisdictions would need to show the number of building permits that fall into this category. The program is front-loaded, meaning the jurisdiction receives the incentives for “extra” units first (and not after all affordable units are zoned).
- Jurisdictions would need to report how these units would remain affordable. They would report using the same information provided for their Housing Element annual reports.
- Jurisdictions would receive a set amount per unit built; MTC uses about \$3,000 per door. The SACOG Board would ultimately decide how much it wishes to set aside for this program.
- The funds would come through the SACOG Community Design Program; this would be an add-on amount, not in place of Community Design funds.
- Receiving jurisdictions would add the incentive amount to any of its federally eligible transportation projects programmed through SACOG. Jurisdictions would not receive a direct check for the incentive amount. Appropriate actions would be taken for jurisdictions in El Dorado and Placer Counties.