

**Summarized Responses to RHNA Comment Letters FAQ
Draft July 12, 2007**

This document summarizes the comment letters received to date on the Regional Housing Needs Allocation (RHNA), and provides SACOG staff's brief responses to these comments. The full text of the comment letters is available on the SACOG RHNA website at <http://www.sacog.org/rhnp/rhna.cfm>.

- 1. Why does the SACOG staff recommend a 50-year income distribution timeline instead of the 35 or 30-year timeline? The previous RHNA cycle (2000-2007) used a 30-year timeline, and it seems that the longer timeline only perpetuates the situation in which jurisdictions that already do not provide enough affordable housing continue not to do so.**

SACOG staff recommends a 50-year period during this RHNA cycle, rather than a 30- or 35-year timeline, to balance the policy goals of RHNA. These goals include not only reaching regional parity, but also include promoting infill development, encouraging efficient development patterns, protecting environmental and agricultural resources, and promoting an improved intraregional relationship between jobs and housing. This longer time period also avoids the potentially abrupt alteration of the community fabric in the jurisdictions receiving the highest allocations of low and very-low income units.

- 2. The 30% ceiling for the low- and very low-income distributions seems arbitrary and will perpetuate the problem of some jurisdictions having a surplus of land available for above-moderate income housing and failing to produce an adequate supply of affordable units, thereby violating federal and state fair housing laws.**

SACOG staff recommends the 30% ceiling for two reasons. First, this figure is the amount used in the 2000-2007 RHNA cycle. Second, staff believes that the 30% maximum is appropriate because it limits a jurisdiction's maximum allocation of low and very-low income units to 60% in these two combined categories. The average allocation for these two categories for jurisdictions in the region is 39.2%. Thus, the proposed ceiling limits a jurisdiction's allocation in these categories to approximately 1.5 times the average allocation for the region.

The total number of units redistributed because of the 35 vs. 50-year timeline and the 30% cap is about 2,000 units, or slightly more than 1% of the region's total allocation. Moreover, jurisdictions receiving a portion of the approximately 2,000 reallocated units would receive financial incentives through the proposed methodology. This incentive program will reward jurisdictions for building reallocated units according to smart growth principles, which also helps to achieve the policy goals of RHNA.

SACOG's legal counsel will provide a written response to Legal Services of Northern California's allegation that the proposed methodology violates federal and state fair

housing laws. As noted, however, the combined number of low and very-low income units reallocated as a result of using a 50-year trend line and the 30% cap is approximately 2000 units, which represents only a little more than 2.5% of the region's overall allocation for low and very low-income units.

3. What performance criteria must be satisfied before a jurisdiction could receive benefits from the financial incentives proposal in the methodology?

As mentioned in the response to the above question, a financial incentive program is part of the proposed methodology. SACOG staff will calculate the number of reallocated units received by a jurisdiction. If the proposed methodology, including the financial incentives, is adopted, the jurisdictions receiving reallocated units will receive the incentives as those low- and very low-income units are BUILT. For example, if a jurisdiction was reallocated 50 units in the low-income category, it would receive incentive payment for the first 50 low-income units constructed within its jurisdiction during the RHNA cycle. For a jurisdiction to receive the incentives, it would have to provide verification of the construction of the units using the same annual report to SACOG that the jurisdiction currently provides to the California Department of Housing and Community Development.

4. What is the mechanism by which SACOG modifies its allocations? For instance, what if development yield is significantly reduced as a result of mitigation requirements, a building moratorium, etc.?

Once the SACOG Board of Directors adopts a methodology, only the SACOG Board can decide the circumstances under which it will modify a jurisdiction's allocation. In the proposed methodology, SACOG staff has recommended that the SACOG Board review, and possibly revise, the RHNA if federal flood control mandates result in building moratoriums for local governments. The SACOG Board on a case-by-case basis would consider any other circumstances.

5. Regarding the base year (Year 2000) household income distribution of the RHNA methodology, can a city be moved from one Metropolitan Statistical Area (MSA) to an adjacent, but different, MSA if that city has more ties by geography and circumstance to the adjacent MSA?

This is not possible. The Census data used to establish the Year 2000 household income distributions is only published at the Census-defined MSA geography. SACOG is not able to modify these data.

6. Do the RHNA projections cover just the city limits or also parts of future annexations?

The RHNA projections cover the area within a city's limits, except where SACOG has broken down the RHNA to show separate allocations for a city's existing city limits and

sphere of influence area, as requested by the individual jurisdiction.

7. How will assumptions for each Sphere of Influence area be documented in the RHNA? What happens to the allocations when an area is annexed with the RHNA cycle?

SACOG staff will meet with each of the affected parties (the annexing city, the county, and LAFCO) and document what assumptions were made for each allocation to a Sphere of Influence area. This document will also identify the procedure that will be utilized if and when an area is annexed with the RHNA period and how “credit towards RHNA” will work. The documentation will be included in the Regional Housing Needs Plan, which is the implementing document of the RHNA.

8. How much do the RHNA projections take into account market trends and data? How does SACOG know whether a proposed project will be zoned during or after the RHNA cycle (2006-2013)?

SACOG spent all of 2005 and 2006, and part of 2007, working with each local government to develop its MTP projections. These projections were based on market trends, development activity, information about major projects, jobs/housing balance data, and a whole host of other factors. A detailed discussion is provided in Appendix A of the proposed methodology description.

9. Is jobs/housing balance considered in the RHNA projections? If so, how?

Jobs/housing balance was a fundamental goal and policy of the Blueprint, and was an issue explicitly addressed in the development of the MTP projections. Virtually all of the region’s jurisdictions are actively pursuing jobs/housing balance today, whether they are a “jobs-heavy” jurisdiction encouraging housing growth or a “housing-heavy” jurisdiction encouraging jobs growth. Given the forecasted employment and housing growth for the region, coupled with these local policies for balanced growth, the region is moving towards jobs/housing balance over the MTP planning period.

10. Is there a way that SACOG could collect its initial data using standardized templates that collect the same information from each jurisdiction? Could data be collected on building permits issued over the past 6 years to analyze the breakdown of single family and multi-family development and to help determine the projected number of units that could be accommodated by each jurisdiction?

The same data was requested and collected from each jurisdiction, and as mentioned in the prior response, the proposed methodology does utilize information from each jurisdiction on building permits. However, in some cases, building data are not complete, and even if they were, past building activity is not a pure predictor of the next RHNA period. All jurisdictions grow at different rates and in different market cycles. The proposed methodology uses the MTP projections because this information is essential to

determine the need for regional transportation projects, which is based on each jurisdiction providing their best estimate of growth during the RHNA period.

- 11. Relating to the above question, is there a way for each jurisdiction to take its share of each income category based on its percentage share of the region's growth? For instance, if a city has x% of the region's growth, that it would receive x% of the region's share in each income distribution.**

State law requires SACOG to have all jurisdictions heading towards equality in terms of income category distributions. The method posed in the question would not necessarily assure this would happen. SACOG's proposed methodology has all jurisdictions' allocations trending towards a regional average.

- 12. The SACOG staff has noted throughout the process that the Tahoe Basin will be treated differently because its growth is directly controlled by federal regulations. What is the status of that? How are allocations handled in the basin?**

The SACOG staff has worked directly with the Tahoe Regional Planning Agency (TRPA), which regulates growth and most land use decisions in the bi-state basin, and the three local jurisdictions (Placer and El Dorado Counties and the City of South Lake Tahoe). SACOG reviewed historical permit data and proposed TRPA allocations for these jurisdictions, and discussed them with each jurisdiction. The revised allocations will be released if the SACOG Board approves the proposed methodology.

- 13. Unincorporated areas have different development characteristics than incorporated areas. For instance, county governments do not provide the level of urban services that cities may and, therefore, counties may have lower proportions of existing low-income households. Can the RHNA methodology be adjusted to take this into consideration?**

The proposed methodology distributes the "overall" RHNA number in a way that conforms to practicality and reality. The "overall" number is tied to the 2013 MTP projections. SACOG staff worked on with each member through the MTP planning process to determine where growth is most likely to occur and what type of growth would occur. Where a county has agreements in place to direct growth toward incorporated areas, or where a county has a policy of preserving prime agricultural land, these factors were considered in developing the 2013 MTP projections.

- 14. The methodology does not adequately explain how SACOG considered the loss of assisted units and the housing needs of farm workers.**

SACOG legal counsel is preparing a response to Legal Services of Northern California.

SACOG staff requested that each jurisdiction submit any data they had on farm worker housing. In addition, staff has looked to other sources and has performed an independent

review of each jurisdiction's housing element to gather the most current data available on farm worker housing needs. In this review, SACOG found that the data on farm worker housing is outdated and insufficient; it cannot be incorporated into the RHNA methodology in a rational manner that is consistent between the jurisdictions. SACOG discerned that for the majority of local jurisdictions that have a demand for farm worker housing, it is met through their general affordable housing programs and low rent assistance programs. Because many jurisdictions' farm workers are permanent residents, they address this need through zoning for low and very-low income housing rather than migrant farm worker housing.

Similarly, SACOG requested information from each jurisdiction on the loss of assisted units available. Staff also reviewed all housing elements, outside data resources, and information from HCD. The data available is inconsistently collected and reported, incomplete and insufficient so that staff believes the data could not be rationally incorporated into the proposed RHNA methodology.

The description of the proposed methodology (dated July 12, 2007) has been revised to provide a more complete explanation of the actions taken by SACOG regarding farm worker housing and loss of assisted units.

15. If a jurisdiction does not have any conceptual disagreements with the proposed methodology, but may have reasons why the allocation that is ultimately distributed creates a hardship, can the allocations be changed?

Once the SACOG Board approves a methodology, a draft allocation will be released and a 60-day comment period on the allocation will commence. During the 60-day comment period, any jurisdiction may request a revised allocation based on the factors considered in the RHNA methodology. The RHNA statutes require a request for a revised share to be based on comparable data for all affected jurisdictions and accepted planning methodology, and to be supported by adequate documentation.