



SACOG Board of Directors

April 12, 2012

Public Release of Draft Allocations Associated with Approved RHNA Methodology

Issue: Should SACOG release the draft allocations associated with the approved Regional Housing Needs Allocation methodology for public review?

Recommendation: The Land Use & Air Quality Committee recommends that the SACOG Board of Directors release the associated allocations.

Committee Action/Discussion: At its December 15 meeting, the SACOG Board of Directors approved Methodology B for the 2013-21 Regional Housing Needs Allocation (RHNA). State statute (Government Code Section 65584.05) lays out the remaining steps for SACOG to complete the process of adopting the Regional Housing Needs Plan (RHNP), which designates the housing unit allocations to each city and county in the six-county region. The next step is for the SACOG Board to release the associated allocations using the approved methodology. The release of the draft allocations is being done concurrently with the adoption of the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS).

Upon the draft allocation release, local jurisdictions will have 60 days to request a revision. The revision must be based on the factors that are identified in Government Code Section 65584.04(b)(1), which is provided in Attachment B. Within 60 days of receiving the request, the Board will decide whether to accept, modify or reject each request. After that, local jurisdictions have 60 days to appeal the revised draft allocations, if any, and the SACOG Board must respond within 60 days. The tentative schedule is as follows:

- April 19 – public release of draft allocations
- June 18 – last day for jurisdictions to submit request for revisions
- June 21 or August 16 – SACOG Board action to accept, modify or reject request for revisions (date depends on when request is received by SACOG)
- Within 60 days of revised allocation, if one is made, jurisdictions may appeal revised allocation, and the SACOG Board has 60 days to take action
- September to December Board meeting – SACOG releases final proposed RHNP (date depends on prior actions)
- October to January Board meeting – Adoption of final RHNP (date depends on prior actions)

The draft allocations in this packet are slightly lower for some jurisdictions than in prior working drafts. The region's final overall allocation from the California Housing and Community Development Department is 30 units fewer than the 105,000 that were used in the calculation of prior drafts, and 50 units lower in the combined number of low and very-low income units. Attachment A provides a description of the adopted methodology, and the associated allocations. Table 1 of Attachment A shows the step-by-step calculations following the narrative, and Table 2 provides the allocations by the four RHNA income categories. Attachment B is the statutory factors language by which a local government may request a revision. Attachment C is a letter from HCD that addresses what cities and counties must do to meet the housing element requirements, and includes the corresponding state statutes.

For additional background information, visit the RHNA website at <http://www.sacog.org/rhnp/rhna.cfm>.

Approved by:

Mike McKeever
Chief Executive Officer

Attachments: A – Methodology Narrative & Draft Allocations
B – California Government Code Section 65584.04
C – HCD Letter and California Government Code Section 65585

Key Staff: Kirk Trost, Chief Operating Officer/Legal Counsel, (916) 340-6210
Rebecca Sloan, Director of External Affairs & Member Services, (916) 340-6224
Greg Chew, Senior Planner, (916) 340-6227

Sacramento Area Council of Governments (SACOG)

2013-2021 Regional Housing Needs Allocation (RHNA)

DESCRIPTION OF ADOTPED METHODOLOGY (Methodology B)

(Approved December 15, 2011)

This document describes the methodology selected and approved by the SACOG Board of Directors for the Regional Housing Needs Allocation (RHNA) for the period covering January 1, 2013 to October 31, 2021. Methodology B was the selected methodology amongst the five draft alternatives presented to the SACOG Board. The draft associated allocations for each city and county in El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties is shown in Attachment A. The narrative description of the methodology below corresponds to the table in Attachment A.

For background information about RHNA, including the state Housing Element Law, the process to develop and selected the approved methodology, and the process for final approval of the RHNA, please visit www.sacog.org/rhnp

DESCRIPTION OF APPROVED METHODOLOGY (Methodology B)

This section provides a step-by-step description for the approved RHNA methodology. Please refer to Table 1 of Attachment A to follow the steps. Table 1 shows how the calculations are made, and Table 2 of Attachment A shows the allocations by each of the four income categories (Very Low, Low, Moderate and Above Moderate). In addition, at the end of this document, a glossary of terms is provided for reference.

Summary: This methodology starts all jurisdictions at a percentage of affordable units equal to the percentage (39.8%) of existing affordable income households in the region. It then applies an adjustment factor based on regional income distribution disparities. Similar to the concept for the approved methodology for the 2006-13 RHNA, the adjustment factor adds future affordable units to jurisdictions that currently have lower than the regional average and subtracts future affordable units from jurisdictions that have higher than the regional average.

This methodology moves all jurisdictions towards achieving the regional average, but rather than every jurisdiction achieving regional parity by 2050, each jurisdiction will reach the regional average at different points in time.

How It Works: Refer to TABLE 1 of ATTACHMENT A to follow the steps described. This methodology uses a two-step process. Step 1 establishes the “**affordable base**” number. Step 2 applies an adjustment factor to move household income distributions toward regional equity. In other words:

overall allocation*regional average of affordable units = affordable base

then,

affordable allocation = affordable base +/- income adjustment

Step 1 distributes evenly the regional percentage of affordable units to each jurisdiction. The affordable income category adds up to 39.8 percent for the region, as determined by California Housing and Community Development Department. In this methodology, every jurisdiction’s “**base**” or “**affordable base**” number is calculated by multiplying 39.8 percent by the jurisdiction’s overall allocation number (**Column A**) which comes from the Metropolitan Transportation Plan (MTP) 2035 Update process and was adopted by the SACOG Board.

Step 2 is a two-part process (2a and 2b) to adjust the affordable base allocation by a factor that addresses regional income parity. In other words, the adjustment factor trends all jurisdictions towards the regional average of affordable housing units (39.8%).

Step 2a contains the same calculations used in the 2006-13 RHNA methodology. This method determines the allocation of affordable units by drawing an “income trendline” from 2008 to 2050, referred to as the “**2050 income trendline.**” On one endpoint, the 2006-2008 Census American Community Survey (ACS) shows the percentage of households that a jurisdiction has in each of the four income categories as of 2008. The other endpoint, 2050, shows the projected regional average percentage of households in each income category as determined by HCD; again, the affordable income categories are 39.8 percent. The 2050 income trendline is drawn connecting these two points – the jurisdiction’s current affordable income percentage share of affordable income housing units in 2008 to the 39.8 percent of its housing units in 2050. This line is then intersected at October 31, 2021, the end period for this RHNA cycle. The point of intersection is the percentage of growth that the jurisdiction would need of new affordable housing units to be trending toward the regional average of affordable housing units by 2050. In other words, the result of Step 2a (**Column D**) shows the percentage of growth that

the jurisdiction would need of new affordable housing units to be trending toward the regional average of affordable housing units by 2050.

[*Note:* this method places a 4 percent floor and 30 percent ceiling in both low and very low income categories (or a total floor of 8% and 60% ceiling for total affordable units) – these floor and ceiling limits were used during the 2006-13 RHNA cycle.]

Step 2b compares the resulting percentage in Step 2a against the regional average of affordable households (39.8%). The difference, the “**income variance**,” is expressed as a percentage (**Column E**). A jurisdiction that has a percentage from Step 2a that is lower than 39.8 percent, means that jurisdiction has a higher percentage share of affordable units than the regional average and, therefore, to get to regional income parity in 2050, it would need less than the regional average between now and 2050. Such a jurisdiction would receive a negative income adjustment factor number (**Column F**). Conversely, a jurisdiction with a lower share of affordable units when compared to the regional average, would receive a higher percentage than the regional average between now and 2050. Note that Step 2a also places a 4 percent floor and 30 percent ceiling (or “guardrails”) in each of the low and very low-income categories, as used in the 2006-13 RHNA methodology.

Table 2 shows the above described methodology for each of the four income categories. Table 2 only shows the resulting figures and not the interim calculations steps.

Analysis: As the approved methodology, it focuses on the regional land use pattern and where transportation infrastructure investments will be made. Locating jobs and services near low-income communities and providing non-auto transportation alternatives to these areas is an important social equity consideration that is included in the MTP/SCS land use pattern and growth assumptions. One way to ensure consistency between the MTP/SCS and RHNA is to keep the land use assumptions of the MTP/SCS intact as the starting point for not just the overall allocation, but for the affordable allocation as well. This methodology equally distributes the number of affordable income units to each jurisdiction, thereby preserving the distribution of housing growth among jurisdictions. To balance this goal with another state housing law objective to avoid over-concentrating affordable income housing, this methodology then applies an adjustment factor to the affordable incomes units in each jurisdiction. The adjustment factor is based on the methodology from the 2006-13 RHNA methodology, which aims to move all jurisdictions towards regional income parity in terms of their share of affordable housing units. One potential disadvantage to this methodology is that it changes the rate by which jurisdictions achieve regional income parity.

Glossary of Terms

- **2050 Income Trendline:** the percent share of a jurisdiction's new growth that must be affordable during the 2013-21 RHNA cycle for the jurisdiction to reach the regional average of affordable units by 2050.
- **Affordable Base:** the calculation of affordable units each jurisdiction starts with. It is 39.8% of a jurisdiction's overall allocation, which is the percentage of affordable income households in the region.
- **Affordable Income Categories:** very low and low income categories combined.
- **CHAS** – Comprehensive Housing Affordable Strategy data provided by the U.S. Housing and Urban Development Department. This is a special tabulation of Census data from the US Census Bureau geared towards housing planners and policy makers. The primary purpose of the CHAS data is to demonstrate the number of households in need of housing assistance. One way in which they do this is to provide the number of households by household size that fall within 30, 50 and 80 percent of local median income. This data differs from traditionally available Census data that depicts household income without accounting for household size. For more information please visit: http://www.huduser.org/portal/datasets/cp/CHAS/bg_chas.html.
- **Income Categories:** state housing element law defines four income categories: very low, low, moderate, and above moderate. Each is defined by comparing median family income (MFI) to a household with the same number of members in the same county. "Very low" income households have incomes 50 percent or lower than MFI. "Low" income households have incomes between 50 percent and 80 percent of MFI. "Moderate" income households have incomes between 80 percent and 120 percent of MFI. "Above moderate" income households have incomes greater than 120 percent MFI.
- **Region:** for RHNA purposes, SACOG includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties, including the Tahoe Basin in El Dorado and Placer counties.
- **Regional Average of Affordable Housing Units:** percentage of housing units in the region that fall into the affordable income categories. This number is expected to be 39.8% according to HCD, which uses the five-year 2005-2009 American Community Survey data.
- **Regional Income Parity:** all jurisdictions in the region have the same proportion of affordable income households as the regional average. When describing how to achieve

“regional income parity by 2050,” this document is referring to what percentage of total units a jurisdiction would need to meet the regional average by 2050. This percentage is different for each jurisdiction, as they currently have different affordable income shares and different growth rates.

- **Variance:** the numerical difference between a jurisdiction’s share of affordable units versus the regional average.

ATTACHMENT A - Table 1: Draft Associated Allocations for Approved RHNA Methodology
Draft Allocations for Consideration by SACOG Board to Publicly Release Based on Methodology B

RHNA Period: January 1, 2013 through October 31, 2021
 (Draft March 26, 2012)

Draft Allocation based on Approved Methodology (Jan 1, 2013 to Oct 31, 2021 RHNA Cycle)								
Overall Allocation	Base Number: Equal Share for all Jurisdictions		Adjustment Factor: Regional Equity			Very Low+Low Income Allocations		
Total number of Units (based on proportion of MTP/SCS 2020 projection)	Base allocation for Very Low+Low (Col A * Col C)	Base Allocation Very Low + Low %	Targeted % of units distributed in VL+L by October 31, 2021 for regional parity by 2050	Income Variance from (Col D- 39.838%)	Adjusted Factor (Col B*Col E)	Allocation VL + L units (Col B + Col F)	Allocation VL + L by Percent of Total (Col G/Col A)	
A	B	C	D	E	F	G	H	
Placerville	372	148	39.8%	29.3%	-10.5%	-15	133	35.8%
South Lake Tahoe ¹	336	134	39.8%	8.3%	-31.5%	-42	92	27.4%
El Dorado Uninc Tahoe Basin ¹	480	191	39.8%	57.6%	17.8%	34	225	46.9%
El Dorado Uninc	3,948	1,571	39.8%	43.1%	3.3%	52	1,623	41.1%
El Dorado County total	5,136	2,044	39.8%	41.2%			2,073	40.4%
Auburn	308	123	39.8%	42.4%	2.6%	3	126	40.9%
Colfax	51	20	39.8%	23.1%	-16.7%	-3	17	33.3%
Lincoln	3,790	1,508	39.8%	47.3%	7.5%	113	1,621	42.8%
Loomis	154	61	39.8%	47.1%	7.3%	5	66	42.9%
Rocklin	3,813	1,518	39.8%	56.4%	16.6%	251	1,769	46.4%
Roseville	8,478	3,374	39.8%	54.2%	14.4%	484	3,858	45.5%
Placer Uninc Tahoe Basin ¹	328	131	39.8%	57.5%	17.7%	22	153	46.6%
Placer Uninc	4,703	1,872	39.8%	55.7%	15.9%	297	2,169	46.1%
Placer County total	21,625	8,607	39.8%	53.5%			9,779	45.2%
Citrus Heights	696	277	39.8%	29.2%	-10.6%	-29	248	35.6%
Elk Grove	7,402	2,946	39.8%	57.4%	17.6%	516	3,462	46.8%
Folsom	4,633	1,844	39.8%	52.2%	12.4%	228	2,072	44.7%
Galt	679	270	39.8%	22.1%	-17.7%	-48	222	32.7%
Isleton	23	9	39.8%	19.4%	-20.4%	-2	7	30.4%
Rancho Cordova	7,008	2,789	39.8%	33.7%	-6.1%	-171	2,618	37.4%
Sacramento	24,101	9,593	39.8%	27.5%	-12.3%	-1,182	8,411	34.9%
Sacramento Uninc	13,844	5,511	39.8%	37.1%	-2.7%	-154	5,357	38.7%
Sacramento County total	58,386	23,240	39.8%	36.2%			22,397	38.4%
Live Oak	449	179	39.8%	38.3%	-1.5%	-3	176	39.2%
Yuba City	2,679	1,066	39.8%	39.4%	-0.4%	-5	1,061	39.6%
Sutter Uninc	335	133	39.8%	48.2%	8.4%	12	145	43.3%
Sutter County total	3,463	1,378	39.8%	40.1%			1,382	39.9%
Davis	1,066	424	39.8%	39.3%	-0.5%	-2	422	39.6%
West Sacramento	5,977	2,379	39.8%	34.0%	-5.8%	-140	2,239	37.5%
Winters	319	127	39.8%	42.0%	2.2%	3	130	40.8%
Woodland	1,877	747	39.8%	28.7%	-11.1%	-83	664	35.4%
Yolo Uninc	1,890	752	39.8%	36.3%	-3.5%	-26	726	38.4%
Yolo County total	11,129	4,429	39.8%	34.2%			4,181	37.6%
Marysville	72	29	39.8%	8.1%	-31.7%	-9	20	27.8%
Wheatland	483	192	39.8%	35.9%	-3.9%	-7	185	38.3%
Yuba Uninc	4,676	1,861	39.8%	34.5%	-5.3%	-98	1,763	37.7%
Yuba County total	5,231	2,082	39.8%	34.3%	-5.5%		1,968	37.6%
SUM	104,970	41,780	39.8%	39.8%		0	41,780	39.8%

Sacramento Area Council of Governments

1 - Tahoe Basin allocations based on projections provided by the Tahoe Regional Planning Agency

ATTACHMENT A: TABLE 2

SACOG 2013-2021 RHNA Allocation - ALLOCATIONS BY FOUR INCOME CATEGORIES

(Draft March 26, 2012)

	Total Updated Projected Growth (Jan 1, 2013-October 31, 2021)										Combined Low + Very Low Income	
	Total number of Units (based on proportion of MTP/SCS 2020 projection)		Very Low Income		Low Income		Moderate		Above Moderate		Combined Low + Very Low Income	
			#	%	#	%	#	%	#	%	#	%
Placerville	372		78	21.0%	55	14.8%	69	18.5%	170	45.7%	133	35.8%
South Lake Tahoe ¹	336		54	16.1%	38	11.3%	63	18.8%	181	53.9%	92	27.4%
El Dorado Uninc Tahoe Basin ¹	480		132	27.5%	93	19.4%	89	18.5%	166	34.6%	225	46.9%
El Dorado Uninc	3,948		954	24.2%	669	16.9%	734	18.6%	1,591	40.3%	1,623	41.1%
El Dorado County total	5,136		1,218	23.7%	855	16.6%	955	18.6%	2,108	41.0%	2,073	40.4%
Auburn	308		74	24.0%	52	16.9%	57	18.5%	125	40.6%	126	40.9%
Colfax	51		10	19.6%	7	13.7%	10	19.6%	24	47.1%	17	33.3%
Lincoln	3,790		953	25.1%	668	17.6%	705	18.6%	1,464	38.6%	1,621	42.8%
Loomis	154		39	25.3%	27	17.5%	29	18.8%	59	38.3%	66	42.9%
Rocklin	3,813		1,040	27.3%	729	19.1%	709	18.6%	1,335	35.0%	1,769	46.4%
Roseville	8,478		2,268	26.8%	1,590	18.8%	1,577	18.6%	3,043	35.9%	3,858	45.5%
Placer Uninc Tahoe Basin ¹	328		90	27.4%	63	19.2%	61	18.6%	114	34.8%	153	46.6%
Placer Uninc	4,703		1,275	27.1%	894	19.0%	875	18.6%	1,659	35.3%	2,169	46.1%
Placer County total	21,625		5,749	26.6%	4,030	18.6%	4,023	18.6%	7,823	36.2%	9,779	45.2%
Citrus Heights	696		146	21.0%	102	14.7%	130	18.7%	318	45.7%	248	35.6%
Elk Grove	7,402		2,035	27.5%	1,427	19.3%	1,377	18.6%	2,563	34.6%	3,462	46.8%
Folsom	4,633		1,218	26.3%	854	18.4%	862	18.6%	1,699	36.7%	2,072	44.7%
Galt	679		131	19.3%	91	13.4%	126	18.6%	331	48.7%	222	32.7%
Isleton	23		4	17.4%	3	13.0%	4	17.4%	12	52.2%	7	30.4%
Rancho Cordova	7,008		1,539	22.0%	1,079	15.4%	1,303	18.6%	3,087	44.0%	2,618	37.4%
Sacramento	24,101		4,944	20.5%	3,467	14.4%	4,482	18.6%	11,208	46.5%	8,411	34.9%
Sacramento Uninc	13,844		3,149	22.7%	2,208	15.9%	2,574	18.6%	5,913	42.7%	5,357	38.7%
Sacramento County total	58,386		13,166	22.5%	9,231	15.8%	10,858	18.6%	25,131	43.0%	22,397	38.4%
Live Oak	449		104	23.2%	72	16.0%	83	18.5%	190	42.3%	176	39.2%
Yuba City	2,679		624	23.3%	437	16.3%	498	18.6%	1,120	41.8%	1,061	39.6%
Sutter Uninc	335		85	25.4%	60	17.9%	62	18.5%	128	38.2%	145	43.3%
Sutter County total	3,463		813	23.5%	569	16.4%	643	18.6%	1,438	41.5%	1,382	39.9%
Davis	1,066		248	23.3%	174	16.3%	198	18.6%	446	41.8%	422	39.6%
West Sacramento	5,977		1,316	22.0%	923	15.4%	1,111	18.6%	2,627	44.0%	2,239	37.5%
Winters	319		76	23.8%	54	16.9%	59	18.5%	130	40.8%	130	40.8%
Woodland	1,877		390	20.8%	274	14.6%	349	18.6%	864	46.0%	664	35.4%
Yolo Uninc	1,890		427	22.6%	299	15.8%	351	18.6%	813	43.0%	726	38.4%
Yolo County total	11,129		2,457	22.1%	1,724	15.5%	2,068	18.6%	4,880	43.8%	4,181	37.6%
Marysville	72		12	16.7%	8	11.1%	13	18.1%	39	54.2%	20	27.8%
Wheatland	483		109	22.6%	76	15.7%	90	18.6%	208	43.1%	185	38.3%
Yuba Uninc	4,676		1,036	22.2%	727	15.5%	870	18.6%	2,043	43.7%	1,763	37.7%
Yuba County total	5,231		1,157	22.1%	811	15.5%	973	18.6%	2,290	43.8%	1,968	37.6%
SUM	104,970		24,560	23.4%	17,220	16.4%	19,520	18.6%	43,670	41.6%	41,780	39.8%

Regional Housing Needs Allocation - Factors

California Government Code Section 65584.04.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing cost burdens.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

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

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



April 12, 2012

Mr. Mike McKeever, Executive Officer
Sacramento Area Council of Governments
1415 L. Street, Suite 300
Sacramento, CA 95814

RE: Clarification of Housing Element Adoption Requirement

At the request your organization made on April 9, 2012, on behalf of its membership, the Department is addressing statutory requirements pertaining to housing element adoption.

Government Code (GC) 65588(e)(4) requires a local government to adopt the housing element no later than 120 days from the date the housing element is due to avoid the consequence of a four-year housing element update as referenced in the code section. The 120 day deadline does not mandate the adopted housing element to have been (a) submitted to HCD, (b) reviewed by HCD or (c) found in compliance by HCD.

GC 65585(b)-(f) helps define what constitutes adoption of a housing element. The statute specifies that 90 days prior to adoption of the housing element, a draft of the element shall be submitted to HCD for the jurisdiction to consider HCD's findings before adopting the element. Thus, adoption of a housing element constitutes completing these steps: (1) submitting a draft element, (2) addressing HCD's findings on the draft element by (a) making appropriate revisions to the element or (b) providing appropriate explanations regarding HCD's findings in the resolution of adoption, and (3) adopting the element.

In summary, compliance regarding adoption of a housing element means a jurisdiction should submit a draft element and then adopt the element before expiration of the 120 day timeframe from the element due date (18 months from the adoption date of the Regional Transportation Plan). Submittal of the adopted housing element to the Department (which should occur very soon after adoption) and HCD review and approval of the adopted element are not subject to the 120 day timeframe and can occur after the 120 day timeframe.

Sincerely,

Glen A. Campora
Assistant Deputy Director

California Government Code Section 65585

(a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department. The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with the requirements of this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with the requirements of this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with the requirements of this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with the requirements of this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

Last modified: February 13, 2012