Subject: Oppose, Unless Amended, Assembly Bill 1771: Planning and Zoning - Regional Housing Needs Assessment (Est. time: 0 minutes)

Consent
Prepared by: Christina Lokke      Approved by: James Corless
Attachments: Yes

1. Issue:
Should SACOG take a position on Assembly Bill (AB) 1771 (Bloom)?

2. Recommendation:
The Government Relations & Public Affairs Committee recommends that the Board take a position to Oppose AB 1771 (Bloom), unless it is amended to address the concerns outlined below.

3. Background/Analysis:
AB 1771 makes changes to the Regional Housing Needs Allocation (RHNA) plan objectives, methodology, and distribution process. Specifically, AB 1771, as currently written, does the following:

- Changes the requirement that the Regional Housing Needs Allocation Plan "be consistent" with specified objectives to instead require that the plan "further" the specified objectives.
- Increases the number of required Council of Governments (COG) public meetings from one to two.
- Requires the COG to provide, in addition to a methodology for distributing the RHNA to jurisdictions, an explanation of how the methodology “furthers” the RHNA objectives. It also eliminates the existing law that requires the public to make a written request for the proposed methodology and accompanying materials.
- Revises the objectives a RHNA plan is required to further in the following ways:
  1. Amends the existing jobs/housing objective to promote improved intraregional relationships between jobs, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The bill amends the language to not only consider total jobs and total housing, but to also
consider balance between low-wage jobs and low wage workers.

2. Amends the existing income parity objective to allocate a higher portion of housing needs to an income category when a jurisdiction already has a disproportionately low share of households in that income category. The bill makes explicit the requirement to assign allocations in such a way that jurisdictions are trending towards income parity in each category.

3. Creates a new objective to increase access to areas of high opportunity for lower-income residents, avoiding displacement, and affirmatively furthering fair housing. It defines “areas of high opportunity for lower-income residents” as areas that provide pathways to better lives, including through health, education, and employment.

- Revises the list of factors a local government must consider when developing the methodology for allocating regional housing needs in the following ways:
  1. Amends Jobs/Housing language to not only consider total jobs and total housing, but to also consider balance between low-wage jobs and low wage workers. In addition, it requires the methodology to consider how many jobs, low-wage jobs, units, and lower income units were added in last RHNA cycle.
  2. Amends the market demand for housing factor to instead consider “existing and projected demand for housing at each income level.” In the past, the RHNA has been purely projection based. This revision would encourage COGs to make RHNA adjustments to jurisdictions that have historically under produced.
  3. Amends the high housing cost burdens factor to explicitly consider the percentage of existing households at each specified income level that are paying more than 30% and more than 50% of their income in rent.
  4. Amends the existing flexibility afforded to COGs to include their own factors in devising the RHNA methodology. AB 1771 requires that any COG factor must specify which objectives it is necessary to further. Creates new a factor that must be considered: the rate of overcrowding.

- Allows a “housing organization” to request revisions to draft allocations, and appeal COG denials of those revisions. This is the same power that is currently afforded to local governments. “Housing organization” is defined as a “nonprofit organization whose primary mission includes providing or advocating for increased access to housing for low-income households.”
- Moves the appeal process from the COG to the Department of Housing and Community Development (HCD). This applies to the public hearing process and the ultimate decision as to whether the allocations should be changed. This does not impact the revision request process or the decision by the COG to accept, modify, or deny the revision request. Rather, this only applies to situations in which a jurisdiction or housing organization requests a revision, the COG denies, and the jurisdiction or housing organization appeals.
- Changes the process by which the RHNA methodology is finalized. Currently, after a 60-day public comment period, the COG can adopt the methodology and notify HCD, jurisdictions, and the public. AB 1771 requires, after the public comment period, for COGs to submit the methodology to HCD for review, adding an additional 60 days to the process. HCD would then provide comments (if necessary) to the COG, which
would make any necessary changes before adopting the final methodology.

- Adds clarifying language to internal consistency requirements between the RHNA and the Sustainable Communities Strategy (SCS). The language clarifies that the requirement for RHNA to be consistent with the SCS must not be at odds with the requirement that RHNA allocations cannot consider existing zoning capacity.

4. Discussion/Analysis:

According to the author and sponsors, AB 1771 provides for a more equitable, data-driven distribution of the housing need within regions, ensures greater transparency in the distribution process, and provides additional oversight to ensure that the process furthers statutory objectives. While staff agrees with the intent of the bill to provide a data-driven process, there are key considerations and unintended consequences as currently written. Staff, in coordination with our state association, the California Association of Councils of Governments (CALCOG), have spoken with the sponsors. They are open to working with us to address our concerns and the author has already made a round of amendments to the bill. However, a number of specific provisions still create ambiguity and inadvertently have the potential to conflict with regional planning responsibilities under SB 375. As a result, staff recommends an Oppose Unless Amended position. Some of staff’s specific concerns include:

- A regional housing allocation is not necessarily the most appropriate place to address the issues of increasing access to areas of high opportunity for lower-income residents, avoiding displacement, and affirmatively furthering fair housing. The COG simply provides a number and cannot dictate where within a city or county the housing will be located. These standards are affected by local decisions and should not be mandated in the regional allocation process. Furthermore, policies that affirmatively further fair housing are generally applied at the city and county level. This factor is best applied at the local level during the housing element process.

- Shifting the appeal process to HCD instead of at the COG could lead to differing interpretations of RHNA objectives. One potential concern is that HCD may weight/interpret RHNA objectives in a different way than SACOG, which has a better understanding of the local region. Sometimes an appeal may further one objective but may undermine another or have negative consequences on another policy consideration, such as greenhouse gas (GHG) emissions (as outlined below). HCD might not consider these competing issues.

- Potential conflicts could arise between the RHNA and GHG Reduction Targets. The RHNA distribution must be consistent with the SCS to reduce GHG emissions from cars and light trucks. However, there may be times when achieving the proposed new obligations may conflict with a region’s ability to reach its GHG targets under SB 375. While every jurisdiction is responsible for zoning for and accommodating enough housing for existing and future residents, staff is concerned about the potential for the RHNA process to increase greenfield development pressures, which generally have higher GHG emissions. In these situations, the COG is placed in the position of having to choose between two competing priorities – meeting the new equity objectives in the RHNA process or achieving the region’s GHG targets.
• Expanding the role of other entities into the process adds new complexities and may upset the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) timeline. The bill expands HCD oversight of the allocation process and adds in multiple opportunities for new delays. Furthermore, opening up the process to new entities could further disrupt the timing of the RHNA plan development. The timelines in Senate Bill (SB) 375 are carefully synchronized to accommodate both the RHNA cycle and the MTP/SCS approval process and federal law dictates date certain deadlines for MTP adoption. Combined with the new data requirements in the bill, the expanded role of HCD and the insertion of housing organizations creates further complexities that endanger this already tight timeframe.

The bill is co-sponsored by the California Rural Legal Assistance Foundation and the Western Center on Law and Poverty and is supported by the California Bicycle Coalition and California Housing Consortium, among others. CALCOG and the California Building Industry Association both have an oppose unless amended position. AB 1771 passed both the Assembly Committee on Housing and Community Development Committee and the Assembly Committee on Local Government. It was scheduled to be heard in the Assembly Appropriations Committee on May 9.

Attachment A is the current text of AB 1771.

5. Fiscal Impact/Grant Information:
This item has no direct fiscal impact.

ATTACHMENTS:
Description
Attachment A - AB 1771

This staff report aligns with the following SACOG Work Plan Goals:
#3 - Assist Local Economic Development Strategies
#9 - Better Connect & Communicate with Members & Regional Electeds
An act to amend Sections 65584, 65584.04, and 65584.05 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL’S DIGEST

AB 1771, as amended, Bloom. Planning and zoning: regional housing needs assessment.

(1) The Planning and Zoning Law requires counties and cities to adopt a comprehensive, long-term plan for the physical development of the county or city and certain land outside its boundaries that includes, among other specified mandatory elements, a housing element. That law, for the fourth and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region in accordance with specified requirements. That law requires the appropriate council of governments, or, for cities and counties without a council of governments, the department, to adopt a final regional housing need allocation plan that allocates a share of the regional housing need to each city, county, or city and county and is consistent with specified objectives, including that the plan increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner. Existing
law defines the term “household income levels” for purposes of these provisions.

This bill would revise the objectives required to be addressed in the regional housing needs allocation plan and additionally require the plan to include an objective to increase access to areas of high opportunity for lower-income residents, while avoiding displacement and affirmatively furthering fair housing. The bill would also define the term “areas of high opportunity for lower-income residents” for purposes of these provisions.

(2) Existing law requires actions by local agencies related to the regional housing needs allocation plan to be consistent with those specified objectives.

The bill would instead require various actions by local agencies related to the regional housing needs allocation plan to further, and not undermine, the intent of the objectives required to be addressed by the plan.

(3) Existing law requires the council of governments, or delegate subregion as applicable, to develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or subregion, as applicable, that is consistent with specified objectives. Existing law requires the council of governments, or delegate subregion, as applicable, to conduct at least one public hearing on the proposed methodology. Existing law requires the council of governments or delegate subregion as applicable, to provide the proposed methodology, along with any relevant underlying data and assumptions, an explanation of how information about local government conditions gathered has been used to develop the proposed methodology, and how each of the factors required to be addressed by the regional housing needs allocation plan is incorporated into the methodology, to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology.

This bill would require the council of governments or delegate subregion as applicable, to hold at least two public hearings. The bill would also require the council of governments or delegate subregion as applicable, to additionally provide, along with the proposed methodology, an explanation of how the proposed methodology further, and does not undermine, the intent of the objectives required to be addressed by the regional housing needs allocation plan. The bill would eliminate the requirement that members of the public make a
written request for the proposed methodology and accompanying materials.

(4) Existing law requires each council of governments or delegate subregion as applicable, to include specified factors to develop the methodology that allocates regional housing needs, including, among others, each member jurisdiction’s existing and projected jobs and housing relationship, the market demand for housing, and high housing cost burdens, as specified.

This bill would revise these factors, and additionally require the council of governments or delegate subregion, as applicable, to consider the rate of overcrowding, the existing and projected demand for housing at various income levels, and the percentage of existing households at each specified income levels that are paying more than 30% and more than 50% of their income in rent.

(5) Existing law requires the council of governments, or delegate subregions, as applicable, to identify any existing local, regional, or state incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation, as specified.

This bill would repeal this provision.

(6) Existing law requires the council of governments, or delegate subregion, as applicable, following the 60-day public comment period, to adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregions, as applicable, and to the department.

This bill would instead require the council of governments, or delegate subregion, as applicable, following the public comment period, to submit the draft allocation methodology to the department. The bill would require the department to determine whether the methodology furthers, and does not undermine furthers the objectives described above. The bill would require the council of governments, or delegate subregion, as applicable, following the receipt of the department’s determination, to make any necessary changes and adopt the final regional, or subregional, housing need allocation methodology, as specified.

(7) Existing law requires each council of governments or delegate subregion, as applicable, to distribute a draft allocation of regional housing needs to each local government within the region or subregion, as provided, at least 1.5 years prior to the scheduled revision of its housing element. Existing law authorizes a local government to request from the council of governments or delegate subregion, as applicable,
a revision of its share of the regional housing need, in accordance with
specified factors, within 60 days following receipt of the draft allocation.
Under existing law, if the council of governments or delegate subregion,
as applicable, does not accept the proposed revised share or modify the
revised share to the satisfaction of the requesting party, the local
government may appeal its draft allocation based on specified criteria.

This bill would additionally authorize a housing organization, as
defined, to request from the council of governments or the delegate
subregion, as applicable, a revision of the share of the regional housing
need allocated to one or more local government. This bill would
authorize the local government or the housing organization, if the
council of governments or delegate subregion, as applicable, does not
accept the proposed revised share or modify the revised share to the
satisfaction of the requesting party, to appeal the draft allocation to the
Department of Housing and Community Development, as specified.

(8) By adding to the duties of councils of governments and delegate
subregions with respect to the distribution of regional housing need,
this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local
agencies and school districts for certain costs mandated by the state.
Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act
for a specified reason.

State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 65584 of the Government Code is
amended to read:

65584. (a) (1) For the fourth and subsequent revisions of the
housing element pursuant to Section 65588, the department shall
determine the existing and projected need for housing for each
region pursuant to this article. For purposes of subdivision (a) of
Section 65583, the share of a city or county of the regional housing
need shall include that share of the housing need of persons at all
income levels within the area significantly affected by the general
plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties,
and cities and counties should undertake all necessary actions to
encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(3) The Legislature finds and declares that insufficient housing in job centers hinders the state’s environmental quality and runs counter to the state’s environmental goals. In particular, when Californians seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants is released and puts in jeopardy the achievement of the state’s climate goals, as established pursuant to Section 38566 of the Health and Safety Code, and clean air goals.

(b) The department, in consultation with each council of governments, shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall—further and not undermine the intent of—further all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region
in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, and allocating a higher proportion of housing need to an income category when a jurisdiction already has a disproportionately low share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

(5) Increasing access to areas of high opportunity for lower-income residents, avoiding displacement and affirmatively furthering fair housing.

(e) For purposes of this section, “areas of high opportunity for lower-income residents” means areas that provide pathways to better lives, including through health, education, and employment.

(f) For purposes of this section, “household income levels” are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(g) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or
county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

SEC. 2. Section 65584.04 of the Government Code is amended to read:

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall further, and not undermine the intent of, further the objectives listed in subdivision (d) of Section 65584.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting
and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, how each of the factors listed in subdivision (d) is incorporated into the methodology, and how the proposed methodology furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584, shall be distributed to all cities, counties, any subregions, and members of the public who have made a request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least two public hearings to receive oral and written comments on the proposed methodology.

(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. This shall include data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to workers at those wage levels, as well as how many jobs were added and at what wage levels compared to how many housing units were added and at what income levels in the last planning period.

(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 existing and projected demand for housing at each of the income levels listed in subdivision (e) of Section 65584.

(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) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30% and more than 50% of their income in rent.

(8) The rate of overcrowding.

(9) The housing needs of farmworkers.

(10) 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.
(11) Any other factors adopted by the council of governments, provided that the council of governments specifies which of the objectives listed in subdivision (d) of Section 65594 that each additional factor is necessary to further.

(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 furthers, and does not undermine, the intent of furthers the objectives listed in 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) Following the conclusion of the public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall submit the draft allocation methodology to the department. Within 60 days, the department shall determine whether or not the methodology furthers, and does not undermine, the objectives listed in subdivision (d) of Section 65584.

(h) Following the receipt of the department’s determination, the council of governments or delegate subregion, as applicable, shall make any necessary changes and adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

(i) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy. Nothing in this consistency requirement shall limit the application of subparagraph (B) of paragraph (2) of subdivision (d).
(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan and furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

SEC. 3. Section 65584.05 of the Government Code is amended to read:

65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based, and a statement as to how it furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion’s entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need. In addition, a housing organization may request from the council of governments or the delegate subregion, as applicable, a revision of the share of the regional housing need allocated to one or more local government. These requests shall be in accordance with the objectives listed in subdivision (d) of Section 65584 and with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government or governments.
to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to how it furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65594. A request for a revised share pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need and does not further the objectives listed in subdivision (d) of Section 65584.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government or the housing organization may appeal the draft allocation to the department based upon either or both of the following criteria:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

(e) The department shall conduct public hearings to hear all appeals within 60 days after the date established to file appeals. The local government or housing organization shall be notified within 10 days by certified mail, return receipt requested, of at
least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days after the date of the notification. Before taking action on an appeal, the department shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the department on an appeal shall be in writing and shall include written findings, supported by a preponderance of the evidence on the record, as to how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of one or more local governments that are not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days after the completion of the 60-day period for hearing appeals, taking into account the department’s actions on all appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the revision request process and the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion’s share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local
governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account the department’s actions on all appeals, the council of governments shall have final authority to determine the distribution of the region’s existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 60 days after the department’s receipt of the final allocation plan adopted by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(j) For purposes of this section, “housing organization” means a nonproject nonprofit organization whose primary mission includes providing or advocating for increased access to housing for low-income households.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or
level of service mandated by this act, within the meaning of Section 17556 of the Government Code.