

MTP/SCS

Appendix E-5

Regional Housing Needs Allocation FAQ

Sacramento Area Council of Governments (SACOG)

Regional Housing Needs Allocation (RHNA)

FAQ Sheet

(Updated: November 8, 2011)

This Frequently Asked Questions (FAQ) sheet addresses the Regional Housing Needs Allocation (RHNA) for the SACOG region. This document will be periodically updated and the most recent version will be available on the SACOG RHNA Website: <http://www.sacog.org/rhnp/rhna.cfm>

Background Information

What are the Regional Housing Needs Allocation (RHNA) and Regional Housing Needs Plan (RHNP)?

The State of California, through the Housing and Community Development Department (HCD), will issue a Regional Housing Needs Determination to SACOG's six-county region for the January 1, 2013 to October 31, 2021 planning period. HCD calculates the regional determination using information provided by the California Department of Finance. The regional determination includes an overall housing need number, as well as a breakdown of the number of units required in four income distribution categories, as further defined below.

Based on the regional determination provided by HCD, SACOG must develop a Regional Housing Needs Allocation (RHNA) and a Regional Housing Needs Plan (RHNP). These state-mandated documents allocate a projected share of the regional determination to each of the cities and counties in SACOG's six-county region. The RHNA establishes the total number of housing units that each city and county must plan for within the eight-year planning period. Based on the adopted RHNA, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over the eight-year planning period.

What is SACOG's role in the RHNA Process?

California's Housing Element Law (Government Code, §§ 65580 *et seq.*) mandates that SACOG develop and approve a RHNA and RHNP for its six-county region, including the counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba, and their 22 cities. The RHNA and RHNP must also include the Tahoe Basin portions of El Dorado and Placer counties, and the city of South Lake Tahoe, which are not normally within SACOG's planning area.

It is SACOG's responsibility to coordinate with HCD prior to its determination of the regional housing need. Once SACOG receives the regional determination, including the overall need number and the income category distribution, it must adopt a methodology for distributing the regional growth number throughout the region. The methodology is the basis for the final RHNA and RHNP that SACOG ultimately adopts.

What are the two types of allocations in the RHNA?

The Regional Housing Needs Allocation has two parts as required by state law:

- 1. Overall Allocation:** SACOG receives a total housing unit number for growth during the planning period in the six-county SACOG region, including the Tahoe Regional Planning Area, from HCD. SACOG is required to distribute this regional housing growth number to the jurisdictions within the region for the period from January 1, 2013, to October 31, 2021.
- 2. Income Category Distributions:** HCD also provides a household income distribution of the total regional housing unit number. As defined by state law, four income categories make up this distribution: very low income (less than 50 percent median family income [MFI]); low income (50 to 80 percent MFI); moderate income (80 to 120 percent MFI); and above moderate income (above 120 percent MFI). The total housing unit growth SACOG allocates to each jurisdiction must be further allocated into the four household income categories.

What are the four income categories and what do they mean for cities and counties?

The four economic categories, as listed above, must be addressed in a jurisdiction's housing element. Specifically, accommodations must be made to ensure that the jurisdiction provides sufficient zoning capacity to accommodate the projected housing need in each income category.

It is important to note that each jurisdiction is responsible for providing sufficient zoning capacity for the units allocated to all four economic income categories, but is NOT responsible for the construction of these units. The intent of the Housing Element Law is to ensure that jurisdictions do not impede the construction of housing in any income category. Other factors, such as market forces, are well beyond a jurisdiction's control and have considerable influence over whether or not housing units in each income category are actually constructed.

Procedural Questions

What's the RHNA timeline?

The timelines for the RHNA process changed after the State of California passed Senate Bill 375 in 2008. One key goal of SB 375 is to better coordinate transportation planning with land use and housing planning. For this reason, the RHNA process is now tied to the adoption of every two cycles of the regional Metropolitan Transportation Plan (MTP). Essentially, as a result, RHNPs must be adopted every eight years, following the adoption of the update of the MTP. This also means that each city and county will update its Housing Element every eight years instead of every five years, as it was before SB 375. Because of the transition period created by SB 375, this RHNA period will be more than exactly eight years – it will cover the period from January 1, 2013, through October 31, 2021.

The current projected adoption date for the SACOG MTP is April 2012. Under SB 375, this date determines the related RHNA timeline. Based on state statutory timelines, below are the key milestones:

- September, 15, 2011 – SACOG Board releases draft methodologies for 60-day public comment;
- December 15, 2011 – SACOG Board holds public hearing, may revise the proposed methodology, and adopts a final RHNA methodology;
- Early 2012* – SACOG releases draft allocations, allows public comment, and ultimately holds hearing to adopt allocations;
- October 18, 2012 – Target date for SACOG Board to adopt Regional Housing Needs Plan (RHNP); and
- October 20, 2013 – Housing element due date for cities and counties within SACOG region.

*The dates for proposing and adopting allocations are subject to change as the RHNA process advances.

Generally, what factors are used to determine the RHNA?

State law requires SACOG to consider the following factors, to the extent sufficient data is available, when developing its RHNA methodology:

- Existing and projected jobs and housing relationship;
- Opportunities and constraints to development of additional housing, including:
 - Lack of capacity for sewer and water due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;
 - 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 (SACOG may not limit its consideration based on the jurisdiction's existing zoning ordinances and land use restrictions);
 - 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;
 - County policies to preserve prime agriculture lands within an unincorporated area;

- Distribution of household growth assumed for a comparable period in the regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure;
- Market demand for housing;
- Agreements between a county and cities in the county to direct growth toward incorporated areas of the county;
- Loss of units contained in assisted housing developments;
- High housing cost burdens;
- Housing needs of farmworkers;
- Housing needs generated by the presence of a private university or a campus of the California State University or the University of California; and
- Any other relevant factors, as determined by SACOG.

Where is the RHNA process now and what’s next?

For this RHNA cycle, SACOG worked with HCD to develop the final RHNA determination earlier than required so that SACOG could coordinate its MTP/SCS with the RHNA projection. SACOG received the official overall RHNA determination with an allocation of 104,970 to 117,850 units during the RHNA period. Of the low end of the range, 104,970 total units, 41,780 or 39.8 percent of the units must be affordable. These figures are subject to change until SACOG receives the official letter of determination. This overall regional allocation was the result of much collaborative discussion and data sharing with the California Housing and Community Development Department (HCD), the agency which issues the allocation.

Prior to receiving the official RHNA determination from HCD, staff has been working with the Planners Committee, comprised of local government staff and interested parties, on the development of different methodologies. Five proposed methodologies were presented to the SACOG Board Committees and at the September 15, 2011 Board of Directors meeting for public release. The 60-day public review period extends to November 14, and all written comments will be released as part of the public record. The SACOG Board of Directors is anticipated to take action to select one of the five proposed methodologies at its December 15, 2011 meeting. After the preferred methodology is selected, the SACOG staff will officially release the draft allocations using the methodology for review and comment in March 2012. The Board will take action on the draft allocations in May. By October 2012, the SACOG Board of Directors is scheduled to take action to adopt the final version of the Regional Housing Needs Plan.

Is there any information about the current 2006-13 RHNA:

The current 2006-2013 RHNP is available on SACOG’s website at: <http://www.sacog.org/rhnp/rhna.cfm>.