

Sacramento Area Council of Governments (SACOG)

2021-2029 Regional Housing Needs Allocation (RHNA) – Cycle 6

FAQ Sheet #1: BASICS OF RHNA

(Updated: March 20, 2020)

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: <https://www.sacog.org/regional-housing-needs-allocation-rhna>

Please note that FAQ #2 addresses issues on the RHNA methodologies and can be downloaded at the above weblink.

Background Information

What are the Regional Housing Needs Allocation (RHNA) and related terms?

According to the California Housing and Community Development Department (HCD), California has required since 1969 that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. MPOs and COGs such as SACOG play a significant role in how this is done through the Regional Housing Needs Allocation process.

HCD issues a Regional Housing Needs Determination to SACOG's six-county region for the planning period of October 31, 2021 to October 31, 2029. This is the sixth cycle of RHNA. 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, as documented in the adopted RHNP, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this eight-year planning period.

What does this mean for cities and counties in California, and what is a Housing Element?

Cities and counties received their allocations in the RHNP on March 19, 2020. They have until May 31, 2021 to update the housing elements of their general plans. Housing element updates must

demonstrate how zoning can or will accommodate the RHNA. General plans serve as the local government's "blueprint" for how the city and/or county will grow and develop and include seven elements: land use, transportation, conservation, noise, open space, safety, and housing. The law mandating that housing be included as an element of each jurisdiction's general plan is known as "housing-element law."

California's housing-element law acknowledges that, in order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely upon the effective implementation of local general plans and, in particular, local housing elements.

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 Placer and El Dorado counties (but not 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. When SACOG received the regional determination in August, 2019, including the overall need number and the income category distribution. SACOG then developed a menu of methodology options, and selected and adopted one 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 RHNA Objectives and Factors that must be considered in the RHNA Methodology?

Objectives (§65584.d): Methodology must Further

- Increasing Housing Supply and Mix of Housing Types
- Promote Infill, Equity, and Environment
- Jobs Housing Balance
- Regional Income Parity
- NEW: Affirmatively Furthering Fair Housing

RHNA Factors (§65584.04.e): Methodology must Incorporate

1. Jobs and housing relationship
2. Opportunities and constraints to development of additional housing (see below)
 - 2a. Capacity for sewer and water service
 - 2b. Availability of land suitable for urban development
 - 2c. Lands preserved or protected from urban development

- 2d. County policies to preserve prime agricultural land
3. Opportunities to maximize transit and existing transportation infrastructure
4. Policies directing growth toward incorporated areas
5. Loss of units contained in assisted housing developments
6. High housing cost burdens
7. NEW: Rate of Overcrowding
8. Housing needs of farmworkers
9. Housing needs of UC and Cal State students
10. NEW: Loss of units during an emergency
11. NEW: SB 375 Greenhouse Gas Reduction Targets
12. Other factors adopted by Council of Governments

What is the difference between the RHNA Objectives and the RHNA Factors?

The RHNA objectives provide the guiding framework for how SACOG must develop the methodology. SACOG is required to demonstrate how its methodology “furthers” each of the objectives. This language requires proactive inclusion of each objective into the analysis and is a higher bar to clear than last round, which required “consistency.” The RHNA factors include a longer list of considerations that must be “incorporated” into the methodology. Each of the factors should be included to the extent that sufficient data is available.

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 received a total of 153, 512 housing units 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 October 31, 2021 to October 31, 2029.
- 2. Income Category Distributions:** HCD also divided the total regional housing units by income level. The total housing unit growth SACOG allocates to each jurisdiction must be allocated into the four household income categories, the income categories are defined by state law and the allocations by category are shown below:
 - very low income (less than 50 percent median family income [MFI]): 25.4% or 38,999 units
 - low income (50 to 80 percent MFI): 15.3% or 23,503 units
 - moderate income (80 to 120 percent MFI): 17.6% or 26,993 units
 - above moderate income (above 120 percent MFI): 41.1% or 64,017 units

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.

Is there a relationship between the MTP/SCS and RHNA?

Yes, the Metropolitan Transportation Plan/Sustainable Communities Strategy 2040 Update (adopted November 18, 2019) plans for the projected growth in the region by 2040 and where it will take place. State law requires that the MTP/SCS be consistent with the RHNA. As such, the RHNA is an attempt to plan for the projected growth between 2021 and 2029 using projections and data used in the MTP/SCS. This relationship will be further discussed in 2019 as the MTP/SCS progresses.

Have there been changes to State Law since the last cycle of RHNA that impact Cycle 6?

Yes, there have been a number of changes to state law, but the overall structure of RHNA and Housing Element law remain the same. Some of the changes to state law affect what may be counted towards RHNA in the Housing Element, and consequences of jurisdictions not meeting their allocations in a timely manner. These new housing laws have been addressed in the SACOG RHNA and adopted RHNP. To prepare for it, SACOG has been meeting since 2018 with local government housing planners in the 28 member agencies special training opportunities to discuss the implications of changes to state law for their housing element updates.

Procedural Questions

What's the RHNA timeline?

The following are the major RHNA activities starting in 2019:

- 2018-19 Local government planning staff and SACOG worked to develop RHNA methodology options

- Aug 2019 HCD issued Regional Housing Needs Determination (RHND) of 153,512 dwelling units
- Sept 19, 2019 SACOG Board released for public comment four draft RHNA methodology options with one staff recommendation; HCD notified of options for 60-day comment period
- Oct 31, 2019 SACOG Board held public hearing for comment on draft RHNA methodology options
- Nov 18, 2019 SACOG Board adopted the MTP/SCS (originally scheduled for Feb 2020)
- Nov 21, 2019 SACOG Board selected and approved RHNA Methodology Option C
- Jan 5, 2020: Deadline for formal public appeals of individual jurisdiction's allocation; no appeals received
- Feb 20, 2020: SACOG released Proposed Regional Housing Needs Plan (RHNP) for public comment
- March 19, 2020: SACOG Board adopted the Final Regional Housing Needs Plan
- May 31, 2021 Adoption deadline for local housing elements

Where is more information about the draft RHNA methodologies?

FAQ #2 addresses the draft RHNA Methodologies. It may be found at RHNA website:

<https://www.sacog.org/regional-housing-needs-allocation-rhna>