

Sacramento Area Council of Governments (SACOG)

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

FAQ Sheet #2: RHNA METHODOLOGY

(Updated March 20, 2020)

There are two FAQ sheets on the Regional Housing Needs Allocation (RHNA).

*FAQ #1 addresses the basics of the RHNA – what it is, what it means to local governments and housing, and the approval process. **This factsheet, FAQ #2, only addresses the RHNA methodology, which is the formula for allocating the number of units each jurisdiction must accommodate through its zoning for the 2021-2029 RHNA Cycle. The most updated versions of FAQ #1 and FAQ #2 are available on the SACOG RHNA Website: <https://www.sacog.org/regional-housing-needs-allocation-rhna>***

FAQ #2 questions

Why is the RHNA methodology Important?

The RHNA methodology is the formula for how SACOG will allocate the number of housing units each city and county in the SACOG region must zone for housing between 2021 and 2029. The SACOG region must divide up the 153,512 dwelling units that was assigned by the California Housing and Community Development Department (HCD). The amount of lower income housing units that each jurisdiction must zone is of particular interest to local governments and stakeholders. The number of affordable, or lower income, units allocated to a jurisdiction is the amount that it must zone for higher densities. In the SACOG region, the default density standard for accommodating lower income RHNA units is either 20 or 30 units, depending on the jurisdiction. The RHNA methodology ultimately selected by the SACOG Board will identify the number of lower income units, and each methodology option varies in that amount.

What is required in the RHNA methodology?

State law, including changes made in the last two legislative cycles, identifies that the RHNA methodology that is selected must proactively further five objectives:

1. Increase housing supply and mixed of housing types;
2. Promote infill, equity and environment;
3. Improve the balance of jobs and housing (including by wage)
4. Regional income parity;
5. Affirmatively Furthering Fair Housing.

The first two objectives listed above are firmly addressed in the development of SACOG's Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). Objectives 3-5 are, at least in part, not inherently furthered by the MTP/SCS. Therefore, SACOG staff and housing planners have developed three separate adjustment factors that further each of these objectives. Since the total RHNA calculation

is determined by the MTP/SCS growth proportion, these adjustment factors instead adjust the number of lower-income units assigned to each jurisdiction.

How were the draft methodology options developed?

SACOG staff met eight times, starting in July, 2018, with the housing planners from the affected cities and counties to develop the four different RHNA methodology options. At these meetings, housing planners discussed the requirements of the State, the data sources available, and draft allocations.

What are the two types of numbers the RHNA methodology allocates.

As noted in FAQ #1, the selected RHNA methodology will allocate two types of numbers. First, the overall allocation is the total number of units each jurisdiction receives for all income categories. That number is formulaic and is directly proportional to the number of units the jurisdiction is expected to grow from 2016-2035 in the MTP/SCS. That number does not change regardless of the methodology option selected, and the collectively regional total must add up the 153,512 total units, as required by the state.

The second type of number is the allocation by each income category (see FAQ #1 for the four income categories). There are four income categories, and they must add up to the total allocation just described above. The four methodology options result in different the allocations to the number of lower two income categories (very low and low income categories are the “affordable income” or “lower income” categories). Again, this is the number of units that the jurisdiction must zone high-density residential.

What are the key factors and differences in the four draft methodology options?

In September, 2019, the SACOG Board of Directors approved releasing for public comment four draft RHNA methodology options for consideration. All four options address the required state objectives stated above. The options were developed in 2019 with the housing planners from the cities and counties in the region. The key difference between the four options are the degree to which three differentiating objectives are emphasized: (i) Improve the balance of jobs and housing (including by wage), (ii) Regional income parity; and (iii) Affirmatively Furthering Fair Housing.

- Option A places a high emphasis on all three objectives.
- Option B places a moderate emphasis on all three objectives.
- Option C places a high emphasis on Affirmatively Furthering Fair Housing and Jobs Housing Fit, and a moderate emphasis on Regional Income Parity.
- Option D places a high emphasis on Jobs Housing Fit and a moderate emphasis on Regional Income Parity and Affirmatively Furthering Fair Housing.

Where are the allocations with each associated methodology option?

The Draft RHNA Methodology Menu contains more detailed background about methodology options. The menu may be found on SACOG’s RHNA website: <https://www.sacog.org/regional-housing-needs->

[allocation-rhna](#) The last page of that packet (page 18) shows a comparison of the four draft methodologies in terms of allocation to each jurisdiction. The table shows the number of total RHNA units that the jurisdiction much plan for in all income categories combined; this number does not change for any of the RHNA options. The table also shows the number of lower income units (the combined very low and low income categories) that is allocated to each jurisdictions for Options A, B, C and D.

Which methodology did the SACOG Board adopt and why?

The SACOG Board of Directors adopted the staff's recommendation of Option C at its November 21, 2019 meeting. The vote was nearly unanimous with one dissenting vote.

The staff made this recommendation because this option employs a moderate impact from the regional income parity adjustment, a high impact from the affirmatively furthering fair housing adjustment, and a high impact from the jobs-housing fit adjustment. Option C incorporates the input heard from the public and local planners that there is potential overlap between the regional income parity and the affirmatively furthering fair housing adjustment factors. While the adjustment factors must be applied separately, the household income and high opportunity metrics do correlate. SACOG staff believed that Option C both meaningfully furthers the RHNA objectives and is receptive to the feedback and input received through the development of the RHNA methodology. Based on the public comments, and the board's deliberation, it ultimately approved Option C.

What was the process for public comment on the methodology options, and what was the process for the final decision?

The SACOG Board released for public comment the draft methodology options on September 19, 2019.

SACOG contacted known interested parties about the draft methodologies and the California Housing Community Development Department, as required by law. Comments that were sent to SACOG by November 8, 2019 were included in the staff report for the Board's November 21, 2019 meeting along with written responses by the SACOG staff. Any comments after November 8 were handed to the board at the November 21 meeting and were included in the public record.

The SACOG Board held a public hearing on October 31, 2019 to hear public comments on any of the methodology options, including the staff's recommendation of Option C. Some individual board members made comments on the methodologies at that meeting. This public hearing was held three weeks in advance of the board action to adopt the methodology so that staff and board had time to consider public comments.

What RHNA methodology option did the SACOG Board adopt?

On November 21, 2019, the SACOG Board of Directors selected Methodology Option C. The vote was near unanimous, with one dissenting vote. The allocations associated with Option C are found at the SACOG RHNA website at <https://www.sacog.org/regional-housing-needs-allocation-rhna>

What was the appeal process for local agencies?

The allocations in the methodology adopted on November 21, 2019 were subject to appeals by individual jurisdictions. Any jurisdiction could have appealed its allocations if it had submitted a written request to SACOG by January 5, 2019. However, no formal appeals were submitted.

What is the RHNP and when was it adopted?

With no appeals submitted by local agencies, on February 20, 2020, SACOG staff prepared and released the draft Regional Housing Needs Plan (RHNP) for public comment and board action. The RHNP formally documents all of the actions in the RHNA process, and finalizes the allocations to each jurisdiction. The SACOG board held a public hearing and adopted the RHNP at its March 19, 2020 meeting. From that point, jurisdictions would need to complete their housing elements (as described in FAQ #1) by May 31, 2021

Where is more information available?

The SACOG RHNA webpage contains two FAQ documents, including FAQ #1 which addresses basic questions about RHNA. It includes the link to the RHNA methodology options background packet, plus other information about RHNA and housing planning. The link is at <https://www.sacog.org/regional-housing-needs-allocation-rhna>

If you have questions, please contact SACOG staff member Greg Chew at gchew@sacog.org or at (916) 340-6227, or Dov Kadin at (916) 340-6238 or dkadin@sacog.org.