



# REGIONAL HOUSING NEEDS ASSESSMENT [RHNA]

S O U T H E R N C A L I F O R N I A A S S O C I A T I O N O F G O V E R N M E N T S

## FREQUENTLY ASKED QUESTIONS

### WHAT IS RHNA? HOW DOES RHNA AFFECT MY JURISDICTION'S GENERAL PLAN?

The Regional Housing Needs Assessment (RHNA) is a requirement of State housing law and is a process that determines projected and existing housing need for all jurisdictions (city or unincorporated county) in California. The process to determine a RHNA allocation is conducted by a council of governments, such as SCAG, every eight (8) years. Every jurisdiction must plan for its RHNA allocation in its housing element of its General Plan by ensuring there is enough sites and zoning to accommodate their RHNA allocation. Many jurisdictions use the housing element as an opportunity to complement their economic development, open space, and sustainability goals with its housing goals. Once updated, housing elements are reviewed by the California Department of Housing and Community Development (HCD) and must be adopted by the jurisdiction.

The most recent RHNA allocation for the SCAG region, or the 5th cycle RHNA was adopted in October 2012 and covers the housing element planning period October 2013 to October 2021. The 6th cycle allocation, which will cover the planning period October 2021 through October 2029, will be adopted in October 2020.

### HOW WILL IT AFFECT CALIFORNIA'S HOUSING CRISIS?

The goal of RHNA is to ensure that local plans accommodate existing and projected housing need for all income levels throughout their communities. The State of California has a serious shortage of housing, which impacts the number of homes available and affordability levels, and the current crisis is a result of a cumulative deficit in housing supply. The crisis has far reaching effects ranging from company relocations and employment losses to fewer dollars spent on basic needs to increased traffic due to longer commutes. Ensuring that there are enough places to accommodate housing need is the first step in helping to increase housing supply.

### HOW DO YOU DECIDE A JURISDICTION'S RHNA ALLOCATION?

The RHNA process has several milestones before the adoption of the final allocation plan. First, HCD provides a regional housing need determination to SCAG. For the 6th cycle, this number is 1,344,740 units for the region pending HCD's final determination responding to SCAG's objection on the 1,344,740 number. SCAG then develops a methodology to distribute the regional determination so that every jurisdiction will receive a share of the regional number.

### WHAT IS THE APPROVAL PROCESS FOR THE RHNA METHODOLOGY?

State housing law requires that every council of governments, including SCAG, to adopt a RHNA methodology to distribute existing and projected housing need to every jurisdiction within the region. SCAG first developed a proposed methodology based on several meetings with the RHNA Subcommittee between February and June 2019. The proposed methodology, which contained three options to distribute the regional need provided by HCD, was released for public review and comment on August 1, with comment period ending on September 13, 2019.

State law requires SCAG to hold at least one public hearing on the proposed methodology. SCAG held four public hearings on the proposed methodology and one public information session in August 2019. About 250 public comments were received during the comment period. Based on comments received, SCAG staff developed a recommended draft RHNA methodology. The draft methodology will be reviewed and recommended for further action by the RHNA Subcommittee (October 7), CEHD Committee (October 21), and Regional Council (November 7). After Regional Council approval of the draft, SCAG will send the draft methodology to HCD for their 60-day review and comment period, which is required by State law.



# REGIONAL HOUSING NEEDS ASSESSMENT [RHNA]

S O U T H E R N C A L I F O R N I A A S S O C I A T I O N O F G O V E R N M E N T S

Following receipt of HCD's comments, SCAG staff review HCD's feedback and will recommend a final RHNA methodology. The final RHNA methodology will be reviewed and recommended for further action again by the RHNA Subcommittee, CEHD Committee, and Regional Council in February and March 2020. Once the Regional Council adopts the final RHNA methodology, SCAG staff will distribute the draft RHNA allocation, likely in March 2020.

## WHAT ARE THE FACTORS THAT INFLUENCE THE RHNA METHODOLOGY?

The recommended draft RHNA methodology applies several factors in order to further the objectives of State law and meet the goals of the Connect SoCal plan. The main determining factors in the draft methodology are: household growth (based on Connect SoCal growth forecast), job accessibility, and transit accessibility. A certain number of jurisdictions have a higher calculated need based on this formula that is larger than the Connect SoCal growth forecast for household growth between 2020 and 2045. In those cases, there is a "residual".

The residual for those jurisdictions is taken off their calculation, and then the residuals are summed for the region. The regional residual is then distributed back to jurisdictions that meet three conditions: (1) they are in the top 50th percentile for transit accessibility; (2) top 50th percentile for job accessibility and; (3) less than 50% of their population is considered extremely disadvantaged.

After a RHNA total is calculated, a social equity adjustment is applied to determine the four income categories. The social equity adjustment is based on household income and access to resources. The resource indicator used is based on factors such as educational attainment, low income job access, reading proficiency, and pollution levels.

## WHAT WERE THE FACTORS USED IN PRIOR RHNA CYCLE METHODOLOGIES?

The 6th RHNA cycle recommended draft methodology is very different in comparison to the 4th and 5th cycle methodologies. Both the 4th and 5th cycle only used projected household growth as the basis for a RHNA allocation and only household income was used to determine social equity to calculate the four income categories.

## WHAT IS THE ROLE OF LOCAL INPUT IN RHNA? WHAT IS THE METHODOLOGY'S RELATIONSHIP TO THE CONNECT SOCIAL PLAN?

Local input, or more accurately SCAG's Growth Forecast, plays an important role in regional planning. The Growth Forecast is developed using reputable data sources and then reviewed by panels of experts, partner agencies, and local jurisdictions in determining future growth patterns in the region. The Growth Forecast is used as a basis for Connect SoCal transportation planning and for the draft methodology, is a major component of determining need.

State housing law requires that the RHNA be consistent with the development pattern of the SCS (Connect SoCal) but does not specify any other requirements between the two plans. To meet this requirement, the use of "local input" helps to strengthen the consistency between SCS and the projected RHNA need.

## WHAT ARE THE MAIN DIFFERENCES BETWEEN THE PROPOSED AND RECOMMENDED DRAFT METHODOLOGY?

The proposed methodology included three options for distribution regional need. Option 1 included household growth (local input), existing population share, transit accessibility, and building activity as main factors. Option 2 considered existing population share and transit accessibility, but did not include household growth (local input). Option 3 considered household/population growth (local input) but did not include any other major factors. There were also some differences regarding social equity adjustment.



# REGIONAL HOUSING NEEDS ASSESSMENT [RHNA]

S O U T H E R N C A L I F O R N I A A S S O C I A T I O N O F G O V E R N M E N T S

## WHAT DOES VACANCY ADJUSTMENT MEAN?

To ensure that there is enough housing stock to support household growth, a future vacancy need is applied. The vacancy adjustment, or vacancy need, is a fixed percentage of household growth. If the vacancy need was 0%, that would mean that there are 0 units for a family to move into and would not support household growth. In the recommended draft methodology, a 1.5% adjustment is applied to owner-occupied units and 4.5% is applied to renter units and are based on the proportion of owners and renters in a jurisdiction. This vacancy need is independent of current vacancy rates of a jurisdiction.

## WHAT IS A “SOCIAL EQUITY ADJUSTMENT”?

One of the five objectives of State housing law is to ensure that there is not an overconcentration of households by income group in comparison to the county. To ensure that the RHNA methodology does not overburden low income jurisdictions with more low income households, a social equity adjustment is applied during the income category process. In the methodology existing household income distribution is the main factor. The higher the percentage, the more shifting of income categories is seen in the county. The result is that high income jurisdictions are required to plan for fewer market rate units and more affordable units, while lower income jurisdictions plan for more market rate units and fewer affordable units.

## WHAT QUALIFIES A JURISDICTION AS “EXTREMELY DISADVANTAGED”?

The recommended draft methodology uses indicators developed by HUD, the California Tax Credit Allocation Committee (TCAC) and HCD to determine a community’s level of resources. The level of resources are considered a reflection on its access to fair housing and opportunity, and include indicators such as educational attainment, reading proficiency, access to low income jobs, and pollution levels. Extremely disadvantaged communities are considered those communities with more than half of their population that are in poverty and/or segregation and are low resource areas.

## WHAT WILL MY JURISDICTION’S RHNA ALLOCATION BE BASED ON THIS METHODOLOGY?

SCAG staff has developed a tool to estimate a jurisdiction’s draft RHNA allocation based on the recommended draft methodology. It is available for download as an Excel file at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

## CAN I APPEAL MY JURISDICTION’S RHNA ALLOCATION?

Yes, there will be an appeals process after the draft RHNA allocation is distributed. All jurisdictions can appeal their draft RHNA allocation along with the draft allocation of other jurisdictions. HCD may also appeal a jurisdiction’s draft RHNA allocation. The RHNA Subcommittee will be the hearing body for all submitted appeals and hearings for appeals will occur in summer 2020. SCAG staff will develop guidelines for the appeals process and bases for appeals, which will be review by the RHNA Subcommittee in early 2020.

## HOW CAN I BECOME INVOLVED IN THE RHNA PROCESS?

All meetings of the RHNA Subcommittee, CEHD Committee, and Regional Council are public meetings and verbal and written comments can be submitted. Announcements of additional public workshops, meetings, and milestones are announced through the RHNA email list. To submit a written comment or question, or to be added to the RHNA mailing list, send an email to [housing@scag.ca.gov](mailto:housing@scag.ca.gov). Additional resources on RHNA, including a RHNA 101 tutorial, can be found at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).



# REGIONAL HOUSING NEEDS ASSESSMENT [RHNA]

S O U T H E R N C A L I F O R N I A A S S O C I A T I O N O F G O V E R N M E N T S

## WILL MY JURISDICTION BE PENALIZED IF WE DON'T BUILD ENOUGH HOUSING?

Jurisdictions are required to plan for their RHNA allocation and there are penalties for not doing so but there are no direct penalties for not building enough housing. However, residential projects that meet certain conditions and are located in jurisdictions that did not permit enough housing consistent with RHNA goals, may elect to a ministerial process to get project approval in those jurisdictions.

---

## CONTACT US

For additional resources on RHNA and SCAG's housing program, please visit: [www.scag.ca.gov/housing](http://www.scag.ca.gov/housing) or contact [Ma'Ayn Johnson](mailto:Ma'Ayn.Johnson@scag.ca.gov) at [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov).

**Southern California Association of Governments | 900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017 | (213) 236-1800 | [www.scag.ca.gov](http://www.scag.ca.gov)**