

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.16
(ID # 11207)**

MEETING DATE:
Tuesday, October 29, 2019

FROM : TRANSPORTATION AND LAND MANAGEMENT AGENCY (TLMA):

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY-TLMA: Comment Letter on the Regional Housing Needs Assessment (RHNA) Allocation. CEQA Exempt. All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Board Chair to submit the attached comment letter to SCAG regarding the 6th Cycle RHNA allocation.


ACTION:Policy

Juan C. Perez, Director of Transportation & Land Management 10/23/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington and Perez
Nays: None
Absent: Hewitt
Date: October 29, 2019
xc: Transp.

Kecia R. Harper
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Southern California Association of Governments (SCAG) serves as the Metropolitan Planning Organization for Riverside County (and 5 other Counties in Southern California). In that role, SCAG allocates the housing targets identified by the State Department of Housing and Community Development on an 8-year cycle to each City and County in Southern California. These housing target numbers need to be embedded into our Housing Element, a component of the County's General Plan, along with policies and methodologies that will assist the County in delivering these housing unit targets.

Housing has become one of the major Statewide priorities as we see the housing affordability gap widen throughout California. Given that, the State has taken very active steps, through the passage of over 20 legislative initiatives in the last couple of years, to try to advance home building. The allocation of housing target numbers through the Regional Housing Needs Assessment (RHNA) will continue to become increasingly important as the State takes a more active role in holding Cities and Counties responsible for the delivery of housing, which is primarily built by the private sector, with potential sanctions if those targets are not met.

As part of this 6th Cycle RHNA allocation process, the State is requiring that over 1.3 million housing units be built in Southern California. This number is being proposed to be distributed by SCAG to all jurisdictions in its service area. Four different methodologies have been studied by SCAG and evaluated by their Housing Committees. The methodology that is being recommended to the full SCAG Regional Council would allocate the following estimated units to the unincorporated areas of Riverside County:

Total Units: 46,171

Above-moderate income (> 120% of Adjusted Median Income): 18,335 units

Moderate income (80%-120% of AMI): 8,337 units

Low income (50%-80% of AMI): 7,569 units

Very low income (<50% of AMI): 11,930 units

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Traditionally, the County has been able to meet its above-moderate targets, and even a portion of its moderate income targets, through delivery of market-rate housing by the private sector. The County actively works to provide subsidized housing that meet the other income categories, but there are very limited financial resources to do that, especially given the loss of redevelopment funding years ago.

As part of our 5th cycle RHNA allocations, we rezoned about a thousand acres in the unincorporated area in 2015, and identified land that would yield over 25,000 units at a density high enough (typically over 25 units/acre) that would provide for affordability through higher density. The rezoning effort makes it easier for builders to build high-density housing to meet State housing targets by streamlining approvals. To date, however, we have not received any planning applications to take advantage of this re-zoning effort. This points to a very fundamental challenge that we face in the unincorporated area – we have inherently high costs to build high-density housing because of the significant cost to connect to infrastructure, such as water and sewer, which can often be miles away.

The State has now adopted legislation (AB1397) that governs how much “credit” could be given for land previously zoned to meet housing targets as part of the 6th Cycle. This includes requirements that water, sewer, and dry utilities be readily available to the sites; requirements that smaller parcels (less than 10 acres) be identified; or not generally allowing the use of non-vacant sites, and other challenging requirements. Given the above, it is highly unlikely that the County will be able to take credit for most of the previously rezoned property. **Planning staff will need to do an extensive assessment of each previously zoned site, but our preliminary estimate is that the County will need to identify additional acreage for another 10,000-20,000 units in the unincorporated area.** Given the vast difficulty that we faced in finding suitable sites in 2015, and now coupled with a much-higher threshold from the State as to what will be deemed adequate sites, it will be an extremely challenging undertaking to identify land for these additional 10,000-20,000 units.

Facing this challenge, and the greater regulatory role being assumed by the State, (which includes pre-emption of certain local zoning rules), TLMA staff has been very actively engaged in providing comments as the 6th cycle program is developed by SCAG. We have submitted four detailed comment letters, participated in various committee and other meetings, and tried to engage SCAG at the highest levels to address our concerns. These include pointing out discrepancies that we strongly feel were inherit in the 5th cycle allocations due to the incorporation of our four new cities that occurred at the time that the 5th cycle data was assembled, and are now being perpetuated in the 6th cycle. To date, our efforts to get SCAG staff to take our comments into consideration have not been successful.

We are therefore recommending that the Board of Supervisors authorize the Chair to send the attached letter, and continue to take a very active position advocating for greater fairness and feasibility in the allocation of RHNA housing targets.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Impact on Residents and Businesses

Our County could face significant sanctions if we are unable to find locations for these additional units within our unincorporated areas. Our existing communities could face significant impacts if these additional units are not thoughtfully placed in areas with adequate infrastructure to support the new growth.

Additional Fiscal Information

N/A

Contract History and Price Reasonableness

N/A

ATTACHMENTS

ATTACHMENT A. RHNA Comment Letter for Riverside County


**ATTACHMENT B. 6th Cycle of the RHNA Allocation Letter from Juan C. Perez
July 18 2019**

**ATTACHMENT C. 6th Cycle of the RHNA Allocation Letter from Juan C. Perez
August 27 2019**

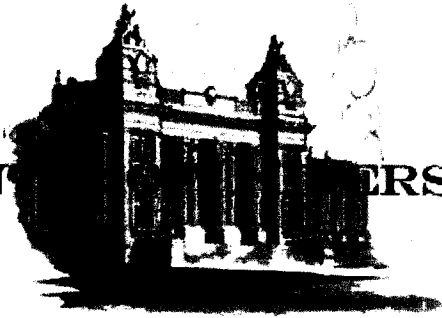
**ATTACHMENT D. 6th Cycle of the RHNA Allocation Letter from Charissa Leach
October 3 2019**

**ATTACHMENT E. 6th Cycle of the RHNA Allocation Letter from Charissa Leach
October 16 2019**

ATTACHMENT F. Regional Housing Need Determination August 22 2019


Jason Farin, Senior Management Analyst 10/24/2019

COUNTY OF RIVERSIDE



Board of Supervisors

District 1	Kevin Jeffries 951-955-1010
District 2	Karen Spiegel 951-955-1020
District 3	Chuck Washington 951-955-1030
District 4	V. Manuel Perez 951-955-1040
District 5	Jeff Hewitt 951-955-1050

October 23, 2019

Honorable Bill Jahn, President
Regional Council
Southern California Association
of Governments (SCAG)
900 Wilshire Blvd, Ste. 1700
Los Angeles, CA 90017

RE: 6th Cycle Regional Housing Needs Assessment (RHNA) Allocation

Dear President Jahn,

This comment letter is provided on behalf of the County of Riverside regarding SCAG's RHNA allocation process to be presented for consideration to the SCAG Regional Council on November 7, 2019.

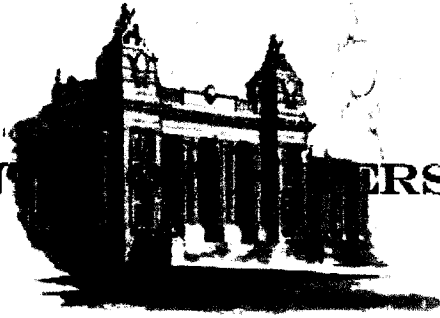
County staff has reviewed the draft methodology recommended by the RHNA subcommittee on October 7th and the Community, Economics, and Human Development (CEHD) committee on October 21st. Our concerns with this option mirror those concerns we identified for original Options 1 and 3, as stated in the attached TLMA's letters dated July 18th, August 27th, October 3rd, and October 16th. These letters point out major concerns that the County has with the draft methodology, which is inequitable, and that identifies a target housing number for Riverside County of over 46,000 units for the next cycle.

We also want to go on record to reiterate the past comments made by County staff, as indicated in the prior attached comment letters, regarding significant concerns with the 5th cycle RHNA allocations, which are now being carried into the 6th cycle. As a result of the 5th Cycle of RHNA, the unincorporated areas of Riverside County were allocated 30,303 dwelling units, for an unincorporated population of approximately 385,000. This total unit allocation was larger than any other jurisdiction received within the SCAG region (except the City of Los Angeles, which had 82,002 allocated units with a population of over 4 million). In comparison, Los Angeles County (unincorporated) was allocated 30,145 total dwelling units (with an unincorporated population of 1,052,000), while San Bernardino County was allocated 39 units (with an unincorporated population of 311,000 - similar to Riverside County).

We are providing comments below on draft methodology that should be presented to the Regional Council ahead of the November 7th public hearing:

- As stated in previous letters, we continue to support original Option 2 as the most equitable means to fairly provide housing allocation. In addition to considering transit access, this option does not create what appears to be an artificial distinction between existing and projected need – a need is a need. It also does not include variables such as vacancy rates and replacement need, which can be addressed differently by the jurisdictions. The draft methodology does not adequately address these inconsistency issues.

COUNTY OF RIVERSIDE



Board of Supervisors

District 1	Kevin Jeffries 951-955-1010
District 2	Karen Spiegel 951-955-1020
District 3	Chuck Washington 951-955-1030
District 4	V. Manuel Perez 951-955-1040
District 5	Jeff Hewitt 951-955-1050

- The focus on the RHNA allocation should be on the 6th Cycle timeframe of 2021-2029 and the housing needs for that period. No consideration should be given to 2045 projections that are so far out into the future, as demographics can change significantly between the end of the decade and 2045, and the County's General Plan buildout projection, as well as that of our neighboring jurisdictions, does not extend out to 2045.
- Greater consideration needs to be given to jobs and transit than is being proposed in the draft methodology to address job/housing imbalance and promote housing development near transit. The County continues to support the substitute motion presented at the RHNA Subcommittee, which is to consider jobs access and transit access for existing need, additionally even for projected need.
- The unincorporated areas of Riverside County lack the basic infrastructure to support urban-type high-density housing. There is a tremendous need to align infrastructure funding opportunities from State and Regional sources to SCAG-adopted housing targets, as mentioned in the October 21st CEHD committee meeting. Consideration has to be given to help prioritize funding for those jurisdictions that lack back-bone infrastructure yet are expected to provide for a significant share of the regional housing needs.
- The existing need, if calculated separately than the projected need, should be calculated using existing conditions because projected growth and planned facilities have little to no bearing on current housing need.

Thank you for the opportunity to provide these comments. We remain willing to engage with SCAG staff more closely, as we have offered in the past, to discuss our concerns in more detail, specifically as it relates to Riverside County's allocation.

Respectfully,

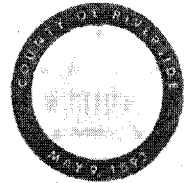
Kevin Jeffries, Chairman
Riverside County Board of Supervisors

Enclosures

Cc: Riverside County Board of Supervisors
Hon. Rusty Bailey, Riverside, RHNA Subcommittee Representative
Hon. Russell Betts, Desert Hot Springs, CEHD Committee Representative
Mr. Kome Ajise, SCAG Executive Director
Ms. Ma'Ayn Johnson, SCAG Housing and Land Use Planner
George Johnson, CEO
Lisa Brandl, COO
Juan C. Perez, Assistant CEO & Director of TLMA
Charissa Leach, Assistant Director of TLMA



COUNTY OF RIVERSIDE
Transportation and Land Management Agency
Juan C. Perez
Assistant CEO/TLMA Director



Transportation Department

Planning Department

Building and Safety Department

Code Enforcement Department

July 18, 2019

RHNA Subcommittee of the
Southern California
Association of Governments
900 Wilshire Blvd, Ste. 1700
Los Angeles, CA 90017
C/o Bill Jahn, President

RE: 6th Cycle of the Regional Housing Needs Assessment (RHNA) Allocation.

Dear Mr. Jahn,

Thank you for the opportunity to submit this comment letter on behalf of Riverside County's Transportation and Land Management Agency. Our Agency serves as the Planning entity for Riverside County's unincorporated communities. This letter is intended to highlight and expand on my testimony to the RHNA Subcommittee on June 3, 2019, highlighting concerns with the methodology used in the past by SCAG for the RHNA allocations. We are asking that our concerns be addressed as part of the upcoming 6th Cycle RHNA allocation process.

As a result of the 5th Cycle of RHNA, the unincorporated areas of Riverside County were allocated 30,303 dwelling units, while having a population in the unincorporated area of approximately 385,000. Of these 30,303 units, 17,578 (58%) are designated as non-market rate housing (moderate, low, and very low income). This total unit count is larger than any other jurisdiction within the entirety of the SCAG region (with the exception of the City of Los Angeles, which has 82,002 total units allocated over a population of over 4 million). As a comparison, Los Angeles County (unincorporated) was allocated 30,145 total dwelling units (with an unincorporated population of 1,062,000), while San Bernardino County was allocated 39 units (with an unincorporated population of about 311,000 – similar to Riverside County).

Riverside County is concerned about the RHNA Allocation process producing statistical outliers that cannot be easily rectified. Not only is the unincorporated area of Riverside County being expected to generate a vast amount of dwelling units relative to its population, but a number of cities within our County are facing the same dilemma, such as Desert Hot Springs, with an allocation of 4,196 units for a population of 28,815. We also note that, proportionally, the unincorporated areas of the County constitute about 16% of the total County's population of 2.45 million, but nearly double (30%) of the County-wide unit allocation of 101,374. This allocation in units to the unincorporated area is out of proportion to our ability to provide for urban-scale development.

By its very nature, the unincorporated areas of Riverside County have no "city core" of urban centers, and thus does not have urban-level infrastructure. Riverside County is home to the last four Cities incorporated in California (Jurupa Valley in 2011, Eastvale in 2010, and Menifee and Wildomar in 2008). These cities are located along major transportation corridors such as I-15, SR-60, and I-215, and constitute much of what previously used to be the denser, semi-urbanized portions of the unincorporated area.

There are no commuter rail stations anywhere in the unincorporated areas of Riverside County, and no commuter rail stations anywhere whatsoever in the Coachella Valley, whether in incorporated cities or the unincorporated area. There are few dense employment centers within the unincorporated areas of Riverside County. Any development that occurs within Riverside County has to "pay its own way" for infrastructure improvements, and many of our unincorporated communities lack urban-level infrastructure such as sewer systems, a developed roadway network, sidewalks, and frequent transit service. Often, projects incur significant costs to connect to sewer service miles away, or expand inadequate roads, making it extremely challenging to provide non-market rate housing in a fiscally achievable way. As such, mandating higher density urban-level development in areas that lack the basic infrastructure to support it will cause additional strain on the already over-burdened existing infrastructure, and on our existing unincorporated communities.

In 2015, the County undertook a major planning effort to update our Housing Element in order to meet our 5th Cycle RHNA allocations. This resulted in re-zoning about 1,000 parcels to highest-density residential (20-40 dwelling units per acre), including mixed-use areas, to meet our housing targets. This was a most difficult undertaking and further points out the challenges that the County will face in finding suitable land, if we receive a further significant RHNA allocation as part of the 6th Cycle.

We are therefore requesting that SCAG consider the following as part of the 6th Cycle allocation process:

- A proportionality analysis be conducted that takes into account a jurisdiction's ability to accommodate additional housing growth based on its current population.
- An infrastructure component be included to take into account those communities that lack the back-bone infrastructure to provide in-fill, urban-scale development.
- We support the concept of phasing housing allocations beyond a single RHNA cycle. This will provide for a more achievable phase-in for housing growth beyond the 8-year cycle frequency.
- A truly consultative process be established to allow jurisdictions to engage SCAG staff in meaningful discussions as draft housing targets are developed, so that local and sub-regional concerns can be better captured in the final allocations.

- An analysis be conducted to assess how infrastructure funding opportunities that SCAG participates in (through grants etc.), or can advocate for at the State-level, can be better aligned with SCAG-adopted housing targets. Consideration should be given to help prioritize funding for those jurisdictions that lack back-bone infrastructure yet are expected to provide for a significant share of the regional housing needs.

We appreciate the opportunity to provide these comments, and would very much appreciate the opportunity to have a more in-depth discussion with SCAG staff as this process moves forward.

Sincerely,



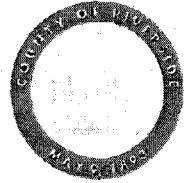
**Assistant TLMA Director
Community Development**

Juan C. Perez, Assistant CEO &
Director of Transportation and Land Management Agency

Cc: Board of Supervisors
Hon. Rusty Bailey, Riverside, RHNA Subcommittee Representative
Hon. Russell Betts, Desert Hot Springs, RHNA Subcommittee Alternate
Mr. Kome Ajise, SCAG Executive Director
George Johnson, CEO
Lisa Brandl, COO



COUNTY OF RIVERSIDE
Transportation and Land Management Agency



Juan C. Perez
Assistant CEO/TLMA Director

Transportation Department

Planning Department

Building and Safety Department

Code Enforcement Department

August 27, 2019

RHNA Subcommittee of the
Southern California
Association of Governments
c/o Bill Jahn, President
900 Wilshire Blvd, Ste. 1700
Los Angeles, CA 90017

RE: 6th Cycle of the Regional Housing Needs Assessment (RHNA) Allocation.

Dear Mr. Jahn,

Thank you for the opportunity to submit this comment letter on behalf of Riverside County's Transportation and Land Management Agency. Our Agency serves as the Planning entity for Riverside County's unincorporated communities. The County of Riverside has very significant concerns with the methodology options being considered by SCAG for the upcoming RHNA allocation processes. Those concerns are even further heightened by the most recent release by the State Housing and Community Development (HCD) of significantly expanded housing targets for Southern California. We are asking that our concerns be addressed as part of the upcoming 6th Cycle RHNA allocation process.

As a result of the 5th Cycle of RHNA, the unincorporated areas of Riverside County were allocated 30,303 dwelling units, for an unincorporated population of approximately 385,000. Of these 30,303, 17,578 (58%) were designated as non-market rate housing (moderate, low, and very low income). This total unit allocation was larger than any other jurisdiction within the SCAG region (except the City of Los Angeles, which had 82,002 allocated units with a population of over 4 million). In comparison, Los Angeles County (unincorporated) was allocated 30,145 total dwelling units (with an unincorporated population of 1,052,000), while San Bernardino County was allocated 39 units (with an unincorporated population of 311,000 – similar to Riverside County).

We have reviewed the recent SCAG release of methodology options to be considered for the 6th cycle. **Of the three options presented, it is our opinion that Option 2, which more closely takes into account each jurisdiction's share of the overall SCAG population (80% weight), combined with a consideration on High Quality Transit Areas (20% weight), most accurately allocates units in an equitable and feasible way.**

That being said, we note that even with this Option 2, Riverside County would be allocated an additional 10,861 units (both market date and affordable) using the SCAG estimator. Using the overall target numbers released by HCD on August 22, 2019, that number increases to 21,493 (of which 12,089 are moderate, low or very low income).

By its very nature, the unincorporated areas of Riverside County have no "city core" of urban centers, and thus does not have urban-level infrastructure. Riverside County is home to the last four Cities incorporated in California (Jurupa Valley in 2011, Eastvale in 2010, and Menifee and Wildomar in 2008). These cities are located along major transportation corridors such as I-15, SR-60, and I-215, and constitute much of what previously used to be the denser, semi-urbanized portions of the unincorporated area.

There are no commuter rail stations anywhere in the unincorporated areas of Riverside County, on in the Coachella Valley. There are few dense employment centers within the unincorporated areas. Any development that occurs within our jurisdiction has to "pay its own way" for infrastructure improvements, and many of our unincorporated communities lack urban-level infrastructure such as sewer systems, a developed roadway network, sidewalks, and frequent transit service. Often, housing projects incur significant costs to connect to sewer service miles away, or expand inadequate roads, making it extremely challenging to provide non-market rate housing in a fiscally achievable way. Mandating higher density urban-level development in areas lacking basic infrastructure will cause additional strain on our over-burdened existing infrastructure, and on our communities.

We note that the RHNA 5th Cycle was based on the 2010 census data, with a population estimate of 502,392 used for Riverside County. In fact, given the above-mentioned incorporations, our County unincorporated 5th Cycle population was approximately 385,000. The current SCAG estimate for the unincorporated area is 394,200.

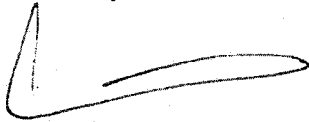
In order to more equitably distribute target numbers for the 6th Cycle, the population number that was incorrectly used for the 5th Cycle needs to be taken into consideration, rather than simply adding more units to the County through the 6th Cycle. This would also be consistent with the concept of phasing housing allocations beyond a single RHNA cycle, which the County supports.

In 2015, the County undertook a major planning effort to update our Housing Element in order to meet our 5th Cycle RHNA allocations. This resulted in re-zoning about 1,000 parcels to highest-density residential (20-40 dwelling units per acre), including mixed-use areas, to meet our housing targets. This was a most difficult undertaking, and further points out the challenges that the County will face in finding suitable land if we receive a further significant RHNA allocation as part of the 6th Cycle.

We further request that an analysis be conducted to assess how infrastructure funding opportunities that SCAG participates in (through grants etc.), or can advocate for at the State-level, can be better aligned with SCAG-adopted housing targets. Consideration should be given to help prioritize funding for those jurisdictions that lack back-bone infrastructure yet are expected to provide for a significant share of the regional housing needs.

We appreciate the opportunity to provide these comments, and would very much appreciate the opportunity to have a more in-depth discussion with SCAG staff as this process moves forward.

Respectfully,

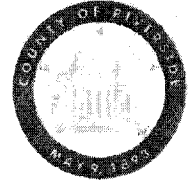


Juan C. Perez, Assistant CEO &
Director of Transportation and Land Management Agency

Cc: Board of Supervisors
Hon. Rusty Bailey, Riverside, RHNA Subcommittee Representative
Hon. Russell Betts, Desert Hot Springs, RHNA Subcommittee Alternate
Mr. Kome Ajise, SCAG Executive Director
George Johnson, CEO
Lisa Brandl, COO



COUNTY OF RIVERSIDE
Transportation and Land Management Agency
Juan C. Perez
Assistant CEO/TLMA Director



Transportation Department

Planning Department

Building and Safety Department

Code Enforcement Department

October 3, 2019

Honorable Peggy Huang, Chair
RHNA Subcommittee of the
Southern California
Association of Governments
900 Wilshire Blvd, Ste. 1700
Los Angeles, CA 90017

RE: 6th Cycle of the Regional Housing Needs Assessment (RHNA) Allocation.

Dear Ms. Peggy Huang,

Thank you for the opportunity to provide additional comments on behalf of Riverside County's Transportation and Land Management Agency (TLMA) regarding the RHNA allocation process and allocation option to be presented for consideration to the RHNA Subcommittee, CEHD Committee and the Regional Council.

TLMA has reviewed the Modified Option 1 presented by SCAG staff at the September 23, 2019 workshop. Our concerns with this option mirror those concerns we identified for original Options 1 and 3, as stated in TLMA's letter of August 27, 2019 to SCAG President Bill Jahn. These letters point out major concerns that Riverside County Staff has with the methodology that SCAG has used to arrive at an unequitable RHNA allocation in the 5th cycle, which we request be addressed individually for Riverside County as part of the 6th cycle process.

We are providing additional comments below on Modified Option 1 which should be presented to the aforementioned SCAG recommending and decision-making bodies.

- The focus on the RHNA allocation should be on the 6th Cycle timeframe of 2021-2029 and the housing needs for that period. No consideration should be given to

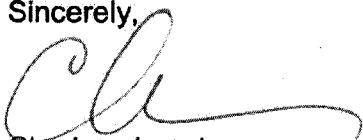
2045 projections that are so far out into the future, as demographics can change significantly between the end of the decade and 2045, and the County's General Plan buildout projection, as well as that of our neighboring jurisdictions, does not extend out to 2045. Before 2045 projections are used, they should be vetted with local jurisdictions and reconciled with their projections.

- The existing need, if calculated separate than the projected need, should be calculated using existing conditions because projected growth and planned facilities have little to no bearing on current housing need. Therefore, similar to the original Option 1, share of "existing" population and share of "existing" population within HQTAs should be used, with the addition of an "existing" job accessibility component. (Proposed existing need: existing pop. [50%] + existing pop./HQTAs [25%] + existing job accessibility [25%]).
- SCAG Staff is to be commended for addressing access to jobs and transit in response to the comments received in formulating Modified Option 1. However, such consideration should extend beyond "existing need" and also include "projected need". In order to create a balance of land uses, access to jobs and transit is a critical consideration for the present, and will continue to be in the future. (Proposed projected need: projected HH growth for 2029 [50%] + pop. w/in planned HQTAs up to 2029 [25%] + future job accessibility areas up to 2029 [25%]).
- A further reason for addressing access to jobs and transit for the entire 6th Cycle Riverside County is in the midst of updating its Climate Action Plan. It will be challenged to meet 2030 and 2045 greenhouse gas reduction targets even without having to absorb additional vehicles miles travelled to accommodate housing which for the foreseeable future will likely be further from existing and planned job centers because of the sheer size of the numbers expected from the RHNA allocation.

- As stated in TLMA's August 29th letter, we continue to support original Option 2 as the most equitable means to fairly provide housing allocations. In addition to considering transit access, it does not create, what appears to be, an artificial distinction between existing and projected need – a need is a need. It also does not include variables such as permit activity, vacancy rates and replacement need which can be addressed differently by the jurisdictions, making these variables potentially inconsistent between the jurisdictions. Modified Option 1 does not address this inconsistency issue, except for the removal of the permit activity variable.
- Because of state law changes, the preparation of annual progress reports which monitor a jurisdiction's efforts toward meeting housing targets have become increasingly complex and labor intensive regarding data collection. Modified Option 1 will continue this trend and make it extremely difficult to maintain priorities, including the preparation of annual progress reports in the face of budget limitations and competing priorities. Therefore, a more standardized Modified Option 1 should be considered, if not a re-opener of original Option 2.

Thanks again for the opportunity to provide these additional comments. We remain willing to engage with SCAG staff more closely, as we have offered in the past, to discuss our concerns in more detail.

Sincerely,



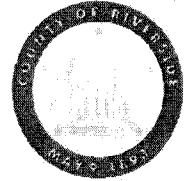
Charissa Leach

Assistant Director Transportation and Land Management Agency

Cc: Riverside County Board of Supervisors
Hon. Bill Jahn, SCAG Regional Council President
Hon. Rusty Bailey, Riverside, RHNA Subcommittee Representative
Hon. Russell Betts, Desert Hot Springs, RHNA Subcommittee Alternate
Mr. Kome Ajise, SCAG Executive Director
Ms. Ma'Ayn Johnson, SCAG Housing and Land Use Planner
George Johnson, CEO
Lisa Brandl, COO



COUNTY OF RIVERSIDE
Transportation and Land Management Agency
Juan C. Perez
Assistant CEO/TLMA Director



Transportation Department

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Code Enforcement Department

October 16, 2019

The Honorable Peggy Huang, Chair
Community Economic &
Human Development Committee (CEHD)
Southern California Association of Governments
900 Wilshire Blvd, Ste. 1700
Los Angeles, CA 90017

RE: 6th Cycle of the Regional Housing Needs Assessment (RHNA) Allocation.

Dear Ms. Huang,

The comments letter are provided on behalf of Riverside County's Transportation and Land Management Agency (TLMA) regarding the RHNA allocation process and allocation option to be presented for consideration to the Community Economic & Human Development (CEHD) Committee.

TLMA has reviewed the Modified Option 1 presented by SCAG staff on October 7th of the RHNA subcommittee. Our concerns with this option mirror those concerns we identified for original Options 1 and 3, as stated in TLMA's letter of August 27, 2019 to SCAG President Bill Jahn. This letter points out major concerns that Riverside County Staff has with the methodology that SCAG has used to arrive at an inequitable RHNA allocation in the 5th cycle, which we request be addressed individually for Riverside County as part of the 6th cycle process.

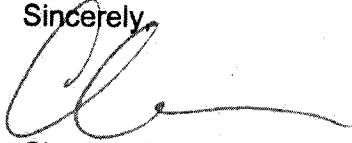
We are providing additional comments below on Modified Option 1 which should be presented to the aforementioned SCAG recommending and decision-making bodies.

- The focus on the RHNA allocation should be on the 6th Cycle timeframe of 2021-2029 and the housing needs for that period. No consideration should be given to 2045 projections that are so far out into the future, as demographics can change significantly between the end of the decade and 2045, and the County's General Plan buildout projection, as well as that of our neighboring jurisdictions, does not extend out to 2045. Before 2045 projections are used, they should be vetted with local jurisdictions and reconciled with their projections.

- The existing need, if calculated separate than the projected need, should be calculated using existing conditions because projected growth and planned facilities have little to no bearing on current housing need. Therefore, similar to the original Option 1, share of "existing" population and share of "existing" population within HQTAs should be used, with the addition of an "existing" job accessibility component. (Proposed existing need: existing pop. [50%] + existing pop./HQTAs [25%] + existing job accessibility [25%]).
- SCAG is to be commended for addressing access to jobs and transit in response to the comments received in formulating Modified Option 1. However, such consideration should extend beyond "existing need" and also include "projected need". In order to create a balance of land uses, access to jobs and transit is a critical consideration for the present, and will continue to be in the future. (Proposed projected need: projected HH growth for 2029 [50%] + pop. w/in planned HQTAs up to 2029 [25%] + future job accessibility areas up to 2029 [25%]).
- A further reason for addressing access to jobs and transit for the 6th Cycle is because Riverside County is in the midst of updating its Climate Action Plan. The County will be challenged to meet 2030 and 2045 greenhouse gas reduction targets even without having to absorb additional vehicles miles travelled to accommodate housing, which for the foreseeable future will likely be further from existing and planned job centers because of the sheer size of the numbers expected from the RHNA allocation.
- As stated in TLMA's August 29th letter, we continue to support original Option 2 as the most equitable means to fairly provide housing allocation. In addition to considering transit access, it does not create, what appears to be, an artificial distinction between existing and projected need – a need is a need. It also does not include variables such as permit activity, vacancy rates and replacement need which can be addressed differently by the jurisdictions, making these variables potentially inconsistent between the jurisdictions. Modified Option 1 does not address this inconsistency issue, except for the removal of the permit activity variable.
- Because of state law changes, the preparation of annual progress reports which monitor a jurisdiction's efforts toward meeting housing targets have become increasingly complex and labor intensive regarding data collection. Modified Option 1 will continue this trend and make it extremely difficult to maintain priorities, including the preparation of annual progress reports in the face of budget limitations and competing priorities. Therefore, a more standardized Modified Option 1 should be considered, if not a re-opener of original Option 2.

Thank you for the opportunity to provide these comments. We remain willing to engage with SCAG staff more closely, as we have offered in the past, to discuss our concerns in more detail.

Sincerely,



Charissa Leach
Assistant Director Transportation and Land Management Agency

Cc: Riverside County Board of Supervisors
Hon. Bill Jahn, SCAG President
Hon. Rusty Bailey, Riverside, RHNA Subcommittee Representative
Hon. Russell Betts, Desert Hot Springs, RHNA Subcommittee Alternate
Mr. Kome Ajise, SCAG Executive Director
Ms. Ma'Ayn Johnson, SCAG Housing and Land Use Planner
George Johnson, CEO
Lisa Brandl, COO

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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August 22, 2019

Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

Dear Executive Director Ajise:

RE: Regional Housing Need Determination

This letter provides the Southern California Association of Governments (SCAG) its determination of the Regional Housing Need Determination. Pursuant to Government Code (Gov. Code) section 65584.01, the Department of Housing and Community Development (HCD) is required to provide the determination of SCAG's existing and projected housing need.

In assessing SCAG's regional housing need, HCD and SCAG staff completed an extensive consultation process starting in March 2017 through August 2019 covering the methodology, data sources, and timeline. HCD also consulted with Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **1,344,740** total units among four income categories for SCAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01.

As you know, SCAG is responsible for adopting a RHNA allocation methodology for the *projection* period beginning June 30, 2021 and ending October 15, 2029. Pursuant to Gov. Code section 65584(d), SCAG's RHNA allocation methodology must further 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, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (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, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

(5) Affirmatively furthering fair housing.

Pursuant to Gov. Code section 65584.04(e), to the extent data is available, SCAG shall include the factors listed in Gov. Code section 65584.04(e)(1-12) to develop its RHNA allocation methodology, and pursuant to Gov. Code section 65584.04(f), SCAG must explain in writing how each of these factors was incorporated into the RHNA allocation methodology and how the methodology furthers the statutory objectives described above. Pursuant to Government Code section 65584.04(h), SCAG must consult with HCD and submit its draft allocation methodology to HCD for review.

HCD appreciates the active role of SCAG staff in providing data and input throughout the consultation period. Pursuant to Government Code section 65584.01(c)(1), HCD may accept or reject the information provided by the council of governments or modify its own assumptions based on this information.

The Department especially thanks Ping Chang, Ma'Ayn Johnson, Kevin Kane, and Sarah Jepson. The Department looks forward to its continued partnership with SCAG and its member jurisdictions and assisting SCAG in its planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at megan.kirkeby@hcd.ca.gov.

Sincerely,



Megan Kirkeby
Assistant Deputy Director for Fair Housing

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	26.1%	350,998
Low	15.3%	206,338
Moderate	16.7%	225,152
Above-Moderate	41.8%	562,252
Total	100.0%	1,344,740
* Extremely-Low	14.5%	Included in Very-Low Category

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et seq.). Percents are derived based on ACS reported household income brackets and regional median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

Methodology

SCAG: June 30, 2021-October 15, 2029 (8.3 Years)				
HCD Determined Population, Households, & Housing Need				
1.	Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			20,455,355
2.	- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			-363,635
3.	Household (HH) Population: October 15, 2029			20,079,930
	Household Formation Groups	HCD Adjusted DOF Projected HH Population	DOF HH Formation Rates	HCD Adjusted DOF Projected Households
		20,079,930		6,801,760
	under 15 years	3,292,955	n/a	n/a
	15 – 24 years	2,735,490	6.45%	176,500
	25 – 34 years	2,526,620	32.54%	822,045
	35 – 44 years	2,460,805	44.23%	1,088,305
	45 – 54 years	2,502,190	47.16%	1,180,075
	55 – 64 years	2,399,180	50.82%	1,219,180
	65 – 74 years	2,238,605	52.54%	1,176,130
	75 – 84 years	1,379,335	57.96%	799,455
	85+	544,750	62.43%	340,070
4.	Projected Households (Occupied Unit Stock)			6,801,760
5.	+ Vacancy Adjustment (2.63%)			178,896
6.	+ Overcrowding Adjustment (6.76%)			459,917
7.	+ Replacement Adjustment (.50%)			34,010
8.	- Occupied Units (HHs) estimated (June 30, 2021)			-6,250,261
9.	+ Cost Burden Adjustment (Lower Income: 10.63%, Moderate and Above Moderate Income: 9.28%)			120,418
	6th Cycle Regional Housing Need Assessment (RHNA)			1,344,740

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
 5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% and region's current vacancy rate (2.37%) based on the 2013-2017 5-year American Community Survey (ACS) data. For SCAG that difference is 2.63%.
 6. Overcrowding Adjustment: In region's where overcrowding is greater than the U.S. overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the region's overcrowding rate (10.11%) exceeds the U.S. overcrowding rate (3.35%) based on the 2013-2017 5-year ACS data. For SCAG that difference is 6.76%.
- Continued on next page*

7. Replacement Adjustment: HCD applies a replacement adjustment between .5% & 5% to total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance (DOF). For SCAG, the 10-year average is .14%, and SCAG's consultation package provided additional data on this input indicating it may be closer to .41%; in either data source the estimate is below the minimum replacement adjustment so the minimum adjustment factor of .5% is applied.
8. Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The very-low and low income RHNA is increased by the percent difference ($70.83\% - 60.20\% = 10.63\%$) between the region and the national average cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference ($20.48\% - 11.20\% = 9.28\%$) between the region and the national average cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2011-2015 Comprehensive Housing Affordability Strategy (CHAS).