

Regional Housing Need Assessment/Allocation (RHNA) & Housing Elements

California Department of Housing & Community Development
Division of Housing Policy Development





Housing Element Law

“The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian is a priority of the highest order.” –GC 65580

Housing element law is the State’s primary market-based strategy to increase housing supply and affordability.

Most fundamental decisions about housing supply & affordability are made at local level.



Why the Housing Element matters

- Ensures **availability of housing choices** to address the needs of all community members, including seniors, workers, and families
- Opportunity to **implement new initiatives** in housing, economic development and smart growth
- **Engages the community** in discussions to address housing, homelessness, how growth occurs, and more
- Implement strategies to **preserve and improve existing housing** and neighborhoods, and overcome patterns of segregation, and increasing access to opportunity
- Creates access to critical **housing and infrastructure funds**



Understanding RHNA

RHNA is . . .

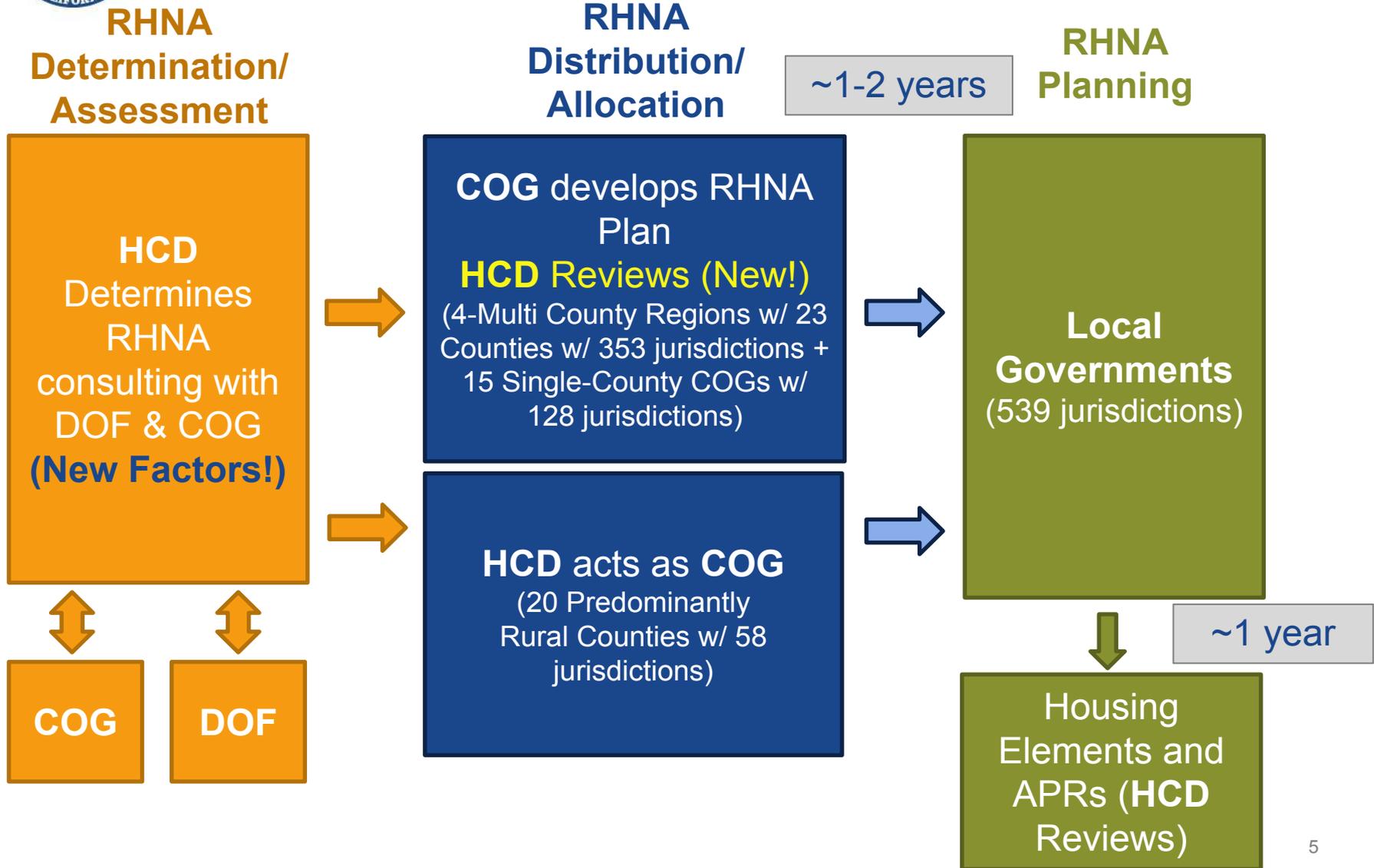
A projection of additional housing units needed to accommodate projected household growth of all income levels from the start until the end date of the projection period.

RHNA is not . . .

- ✓ A prediction of building permit, construction, or housing activity
- ✓ A ceiling of potential housing market demand or production
- ✓ Limited due to existing land use capacity or growth control (rezoning often necessary to accommodate RHNA)



The RHNA Process





RHNA Determination (HCD to COG)

RHNA Determination Factors	
1	(DOF) Projected Population at end of cycle, less group quarters population (<u>Demographic Research Unit</u>).
2	(DOF) Convert Projected Population to Projected Households
3	(HCD) <i>Adjustment increase for average housing unit replacement, unhealthy vacancy rate (below 5%), jobs housing imbalance, cost burden and overcrowding factors</i>
4	<i>Less: Occupied Units Projection Period Start (DOF)</i>
5	(HCD) RHNA Determination

Very Low Income	Low Income	Moderate Income	Above Moderate Income
<50% Area Median Income	50-80% Area Median Income	80%-120% Area Median Income	>120% Area Median Income



Statutory Objectives of RHNA

- Increase housing supply & mix of housing types, tenure & affordability **in an equitable manner**
- Promote infill development & socioeconomic equity, protect environmental & ag resources, & encourage efficient development patterns (the State “planning priorities”)
- Promote improved intraregional jobs-housing relationship **including jobs housing fit**
- Balance disproportionate household income distributions (more lower income RHNA to higher income areas and vice-versa)
- **Affirmatively furthering fair housing**



Affirmatively Furthering Fair Housing (AFFH)

*“Affirmatively furthering fair housing” means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, **replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity**, and fostering and maintaining compliance with civil rights and fair housing laws.*

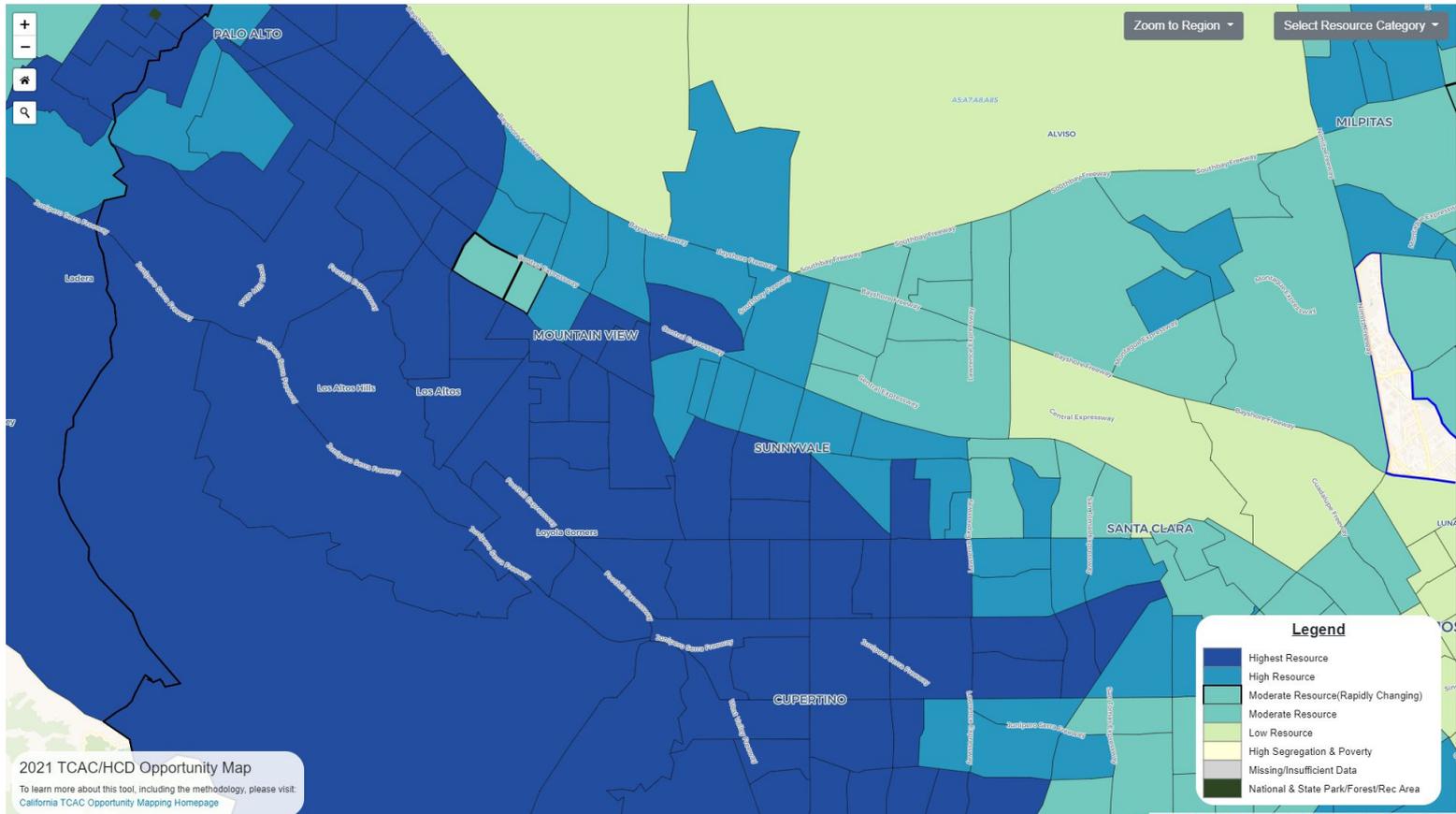
Increase Access to Opportunity in High Resource Areas

AND

Increase Opportunity in Low Resource Areas



Opportunity in Los Altos





COG RHNA Distribution Methodology

COG must consider these factors:

1. Existing and projected jobs and housing relationship
2. Housing opportunities and constraints (inadequate capacity of infrastructure/services) (availability of suitable land) (preserved/protected/prime agricultural land)
3. Distribution of household growth assumed for comparable period of RTP
4. County-city agreement to direct growth toward city
5. Loss of publicly assisted housing units
6. High housing cost burdens
7. **Overcrowding**
8. Farmworker housing needs
9. Housing need generated from private or public university
10. **Loss of units during a state of emergency**
11. **Greenhouse gas emissions targets**
12. Other factors adopted by the COG **that further or at minimum do not conflict with statutory objectives**

Source: Government Code 65584.04(d)



6th Cycle RHNA Takeaways

Preparing the Way for More Housing Planned for in the Right Places

RHNA Determination Changes

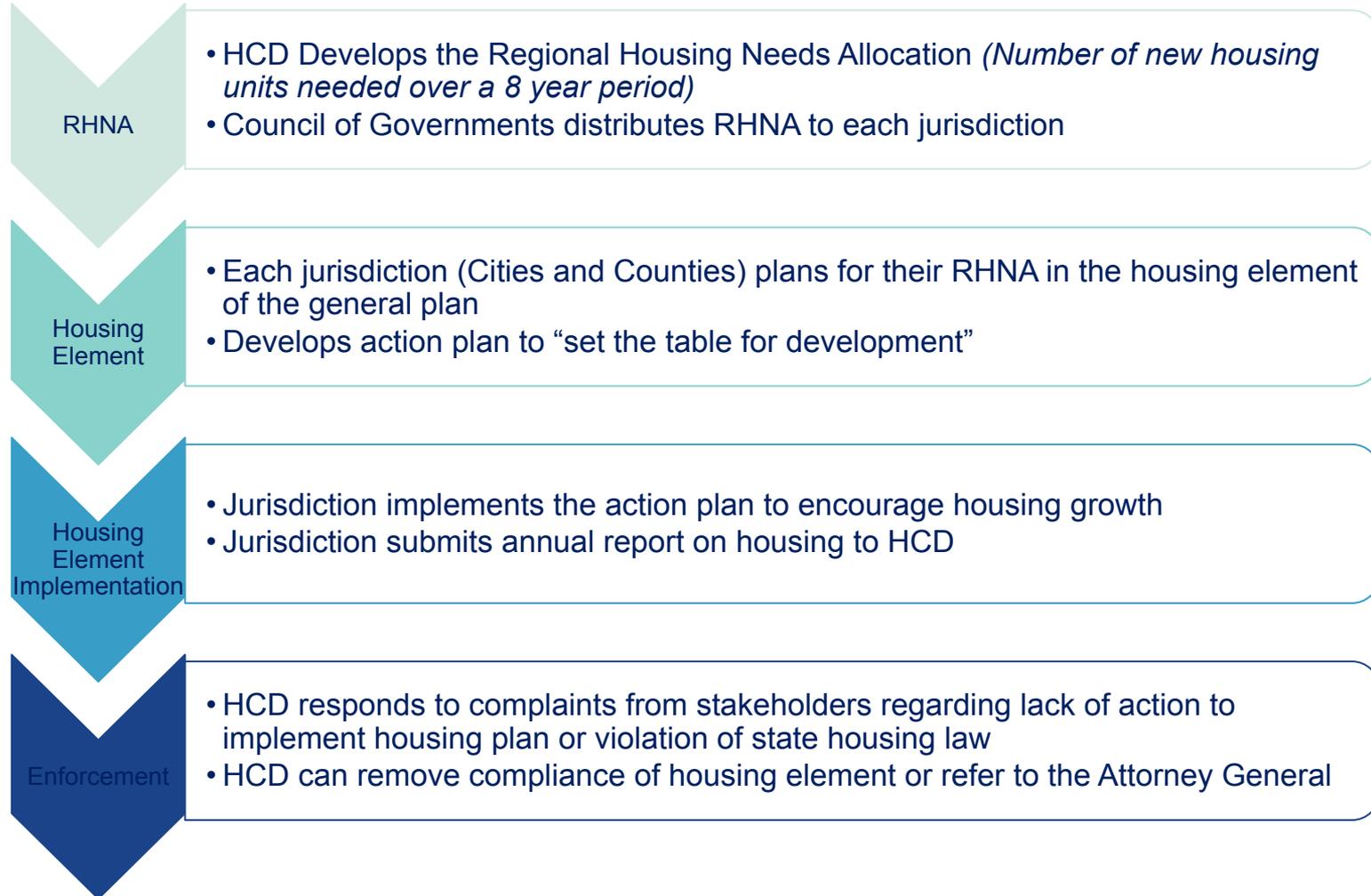
New adjustments to overcrowding (**AB 1086, 2017**); and cost burden adjustments and resulted in capturing existing and projected need resulting in higher RHNA's (**SB 828, 2018**).

RHNA Allocation Changes

New requirements for transparency in the development of methodology; addition of Affirmatively Furthering Fair Housing factor to the RHNA objectives; clarifying jobs housing fit (not balance) as a RHNA objective; and adding HCD oversight of COG methodologies and ability to appeal allocations (**AB 1771, 2018**) has resulted in more equitable distribution of housing need, while still furthering greenhouse emission goals.



Housing Element Process





6th Housing Element Cycle Timeframes

2019

2032

North State Counties— 24 Juris. **DUE 2019**

5-year Counties— 17 Jurs. **DUE 2019**

Shasta, Colusa, San Luis Obispo - 15 Jurs **DUE 2020**

**San Diego, Sacramento, and Southern California
Association of Governments, other small Counties
266 Jurs. DUE 2021**

**Association of Bay Area Governments, Butte County,
Del Norte— 117 Juris DUE 2023**

Santa Barbara, Monterey, San Benito, San Joaquin, and
Stanislaus Council Governments— 48 Jurs. **Due 2023**

Central Valley Jurisdictions 52 Juris. **DUE 2024**



Housing Element Process

Public Outreach

Housing Needs

Available Land and Financial Resources

Development Barriers

Evaluate Effectiveness of Past Programs

Develop Programs w/ Quantified Objectives (“Action Plan”)

- Upgrade housing stock
- Consider housing opportunities for special needs groups (seniors, disabled, homeless)
- Address displacement and loss of affordable housing
- Ensure fair housing
- Rezone land to accommodate RHNA
- Provide financial/regulatory incentives for housing development
- Zone for multifamily, farmworker, ADU, etc
- Reduce parking requirements
- Reduce impact fees
- Streamline application review process



Sites Inventory: Accommodating the RHNA

- Identify specific sites suitable for residential development to meet the locality's RHNA.
- Determine if additional governmental actions are needed to provide sites to accommodate the RHNA.
- Two Parts: The site inventory form and the site inventory analysis



Jurisdiction Identifies Sites with Potential for Development

Do sites have appropriate zoning?

- Analysis or default density for lower-income RHNA
- Housing for a variety of types
- Affirmatively Furthering Fair Housing (2021)

Are sites suitable for development?

- Use of site in previous cycles
- Infrastructure and environmental constraints
- Non-vacant site analysis
- Small or large site size

How much development capacity is realistic?

- Minimum Density or Analysis

Are there potential alternatives to meet RHNA?

- Accessory Dwelling Units
- Manufactured Housing
- Conversion, preservation, substantial rehabilitation

Inventory of Sites

(Listing and Maps of Sites)

Determination of Adequate Sites

Is there enough development opportunity to meet the RHNA by Income?

If shortfall = rezone program



Accessory Dwelling Units (ADU) – Can a jurisdiction count ADU potential?

YES!!!!!!!!!!!!!!

Capacity estimate based on:

- Number of units in prior planning period
- Demand
- Resources or Incentives
- Affordability
 - Availability for rent (rather than pool-house or office)





Housing Programs



Adequate sites



Facilitate housing development for low- & moderate-income households (including extremely low)



Remove/mitigate constraints



Conserve/improve existing stock



Preserve units at-risk



Promote equal housing opportunities/ Affirmatively Further Fair Housing



NEW: Promote ADUs for lower- and moderate-income households

Must include a definitive date, deadline, or benchmarks for implementation to realize “**beneficial impact**” within the planning period.

REVIEW STEPS AND TIMING



Submit Draft Element to HCD at least 60 or 90 days prior to adoption
60-day HCD Review

Consider HCD findings

Optional:
Resubmit
draft to HCD

Amend element per
HCD findings and adopt

Adopt without changes
(Must include reasoning in resolution)

Submit adopted element promptly to HCD

If adopted **within** 120 days of due date
(due date of Jan. 31, 2023)

If adopted **after** 120 days of due date
(After Jan. 31, 2023)

Revise in 8-years:
(Next Planning Cycle)

Revise in 4-years:
(e.g. Jan. 31, 2027)



No-Net-Loss Framework

- Must maintain adequate sites to accommodate RHNA **throughout the planning period**
- Jurisdiction may not reduce a parcel's density unless remaining Housing Element sites can accommodate RHNA by each income category
- If development is approved on a Housing Element site with fewer units than shown in the Element, jurisdiction must:
 - Show that remaining sites have capacity OR
 - Identify new sufficient sites



Consequences for Noncompliance

Legal Risk

- ❖ General Plan Validity
 - Substantial compliance gives presumption of validity
- ❖ May trigger litigation or court-ordered sanctions

Prevents Access To Funding

- ❖ Certain housing funding (e.g. SB 2 Permanent Local Housing Allocation dollars)
- ❖ Certain cap and trade programs (e.g. AHSC)
- ❖ Certain transportation funding (e.g. SB 1 Planning Grants)



Technical Assistance

- Building Blocks Update
- New Technical Assistance Guidance Memos
- Housing Element Webinars and Workshops
- Suite of Sample Analysis and Tools
- COG coordination and pre-approved analysis and data packages
- Toolkits on a variety of housing policy areas such as suite of model ordinances, objective design and development standards how-to-guide, ADUs web-based zoning clearance, CEQA, and other topics!
- Individualized Assistance



Thanks for listening!

Questions?

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