

## STAFF REPORT

**SUBJECT:** Regional Housing Needs Allocation (RHNA) Methodology

**MEETING DATE:** November 1, 2007

**AGENDA ITEM:** 4B

**STAFF CONTACT:** Michael Powers, Brian Bresolin

### RECOMMENDATION:

- i. Review and discuss requirements to develop RHNA methodology.
- ii. Recommend process to develop the RHNA methodology to SBCAG Board.

### DISCUSSION:

A requirement of the RHNA process is to establish a methodology to distribute the HCD determined countywide housing need to local jurisdictions. According to the legislation (shown in the shaded area below), this methodology should include not only input from local jurisdictions and the council of governments but also representatives from all economic segments of the community. This change in the law since last cycle is more prescriptive about the development of the “methodology” in an open publicly accessible manner.

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community.

Other councils of governments, in their allocation process, have included, along with representatives of local jurisdictions, nonprofit housing providers that represent the needs of those in very low and low-income groups. The process has been limited to meetings with technical staff and stakeholders representing nonprofit housing, homebuilders associations, and conservation advocates. Other special interest representatives could include:

- Public housing Authority
- farm worker housing advocates
- student housing representatives
- representatives of the homeless, elderly, disabled
- other special needs populations

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A request has been made Jerry Bunnin for representation by the Homebuilders Association. These are some options for representation in the methodology development. Staff is open to others for discussion and recommendation to the SBCAG board. TPAC should identify additional organizational contacts to provide input to the methodology.

The process would likely involve TPAC performing a significant role with other representatives meeting in a public setting to propose a draft methodology. Note that there is a limit to the amount of time that can be devoted to this effort. According to the preliminary schedule there is approximately 3 to 4 months that can be devoted to the allocation methodology. Time must also be allowed for a 60-day public review and hearing as well as the development of the draft plan, HCD review and potential appeals by local jurisdictions. Meetings may need to be held more frequently than the current TPAC regular monthly meeting schedule and other locations and times could be considered to provide additional opportunities for input by others. Options for additional outreach to insure a geographic diversity of input is obtained should be considered such as TPAC representatives hosting informational workshops in their jurisdictions. It would be efficient to use existing forums to obtain input. Tying in this process to existing organized groups such as the, Homebuilders Association, Housing Advocate Groups, South Coast Housing Advisory Committee, Minority organizations, could provide a forum for input and should also be considered.

According to the legislation (shown in the shaded area below) upon completion, a description of the methodology, underlying data and how it was used is to be distributed to local jurisdictions and made available to members of the public upon request. At least one public hearing is required by SBCAG to receive public input on the methodology during the 60-day public comment period. The allocation methodology must then be adopted by the council of governments and notice of the adoption provided to the affected jurisdictions.

The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

SBCAG staff recommends the methodology be developed by TPAC members, supplemented with representatives of the Homebuilders Association, affordable housing advocates, and other stakeholders as necessary. In order to provide better access to TPAC meetings it is

recommended they be held in a variety of locations that might include the SBCAG office in the south coast, Buellton and a north county location.



September 26, 2007

To: Local Agency Planning Directors

**AGENDA ITEM: 4C**

From: Michael Powers  
Deputy Director

Re: Consideration of local data on allocation factors in Regional Housing Needs Assessment

As you know, the SBCAG board has not yet determined if it will authorize staff to prepare the state mandated Regional Housing Needs Assessment. However, SBCAG is obligated to survey local agencies so you have the opportunity to provide the COG (SBCAG) with local data that might bear on the allocation of the countywide estimate of regional housing need to local agencies. Specifically the law obligates SBCAG to survey local agencies for the factors itemized in Attachment 1. As you may recall staff introduced this item at the June TPAC meeting, but we want to insure the local agencies have the opportunity to provide us with additional information before we initiate preparation of the RHNA (assuming Board authorization). While some of the information was already provided by local agencies to SBCAG in the update of the Regional Growth Forecast, e.g., land suitable for urban development, and while other information may be just specific to one agency, local governments may wish to provide SBCAG with additional information.

As you know, none of the information received by SBCAG may be used as a basis for reducing the total housing need established for the region; rather the information will be used in the allocation of the countywide housing need to the cities and the county.

Only when the same data is available for every jurisdiction can SBCAG allocate regional need based on a fair allocation. SBCAG is required to take into account planning factors when housing needs are allocated among jurisdictions. State law does not specifically define each planning factor, but allows the COG to address each issue in the regional housing needs plan in a manner appropriate for their effort.

The following factors need to be considered:

- Existing and projected jobs-housing relationship
- Opportunities and constraints including
  - Lack of sewer, water or other capacity due to federal or state law
  - Available land suitable for urban development
  - Preserved lands
  - County Policies to preserve prime agricultural land
- Opportunities to maximize use of public transportation
- Market demand for housing
- Agreements between a city and the County directing growth toward cities
- Loss of assisted multifamily units
- High housing cost burden
- Housing needs of farmworkers

#### Member Agencies

- Housing demand due to private or State University

Note in most cases this information may have already been developed for the local housing element.

**Existing and projected jobs-housing relationship:** This was examined in the recent Regional Growth Forecast and the prior SBCAG study: Interregional Partnership for Jobs, Housing, and Mobility.

**Opportunities and Constraints:** The SBCAG Regional Growth Forecast assesses the land use elements of General Plans to determine the capacity for additional residential development and is included in the RHNA allocation methodology. The report generally assessed the existence of water or sewer service moratoriums. It is important to note that the California Attorney General (Opinion 87-206) suggests that the availability of suitable sites can also be based on the potential for increased residential development under alternative zoning and land use restrictions. State housing law prohibits the RHNA allocations from being based on growth control measures, or resource and infrastructure constraints such as water, schools or roads with the exception to preserve the public health and welfare as established by state and federal regulations.

**Opportunities to maximize use of public transportation:** Higher density residential development opportunities along major bus routes, bus transfer centers, or bus stations are emphasized in the competition for housing bond funds and should similarly be identified here.

**Market Demand:** Anticipated employment and population growth are major determinants of housing need in the region. These factors, together with demographic measures that predict household formation, are considered as part of the estimation of market demand contributing to the RHNA. This consideration is accomplished primarily through the growth forecasting process, which measures demographic and economic trends that create new jobs and population, and consequently housing need. The SBCAG Regional Growth Forecast 2007 uses an employment, population, and land use forecast model to determine growth over the RHNA time period.

**Agreements between a city and the County directing growth toward cities:** Indicate if there are any agreements impacting annexations of residential land between cities and the County.

**Loss of Assisted Multifamily Units:** The RHNA determination should also take into consideration the loss of housing units in assisted developments that convert to non low-income use due to subsidy expiration or termination of use restrictions etc. Assisted developments include multifamily rental households that receive government assistance under an array of federal, state, and local programs. A countywide inventory of these units indicates there are a minimal number of units at risk.

**High Housing Cost Burden:** High housing costs exist now countywide but are particularly acute in the south coast.

**Special Housing Needs:** The special housing needs of persons with unique housing situations, including farm workers and students should also be taken into consideration. Unfortunately, as we determined last RHNA Cycle, there is a data limitation in comprehensively identifying the location and extent of persons with special needs such as farmworkers and they may best be addressed in the local housing elements.

Local jurisdictions should apprise SBCAG of what data may be available to address these factors and be prepared to discuss this issue at the November TPAC meeting.

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## Attachment 1

### State Mandated Allocation Factors State Housing Element Law, Government Code 65584.04 (d)

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

- (1) Each member jurisdiction's existing and projected jobs and housing relationship.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, which changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing costs burdens.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) Any other factors adopted by the council of governments.

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