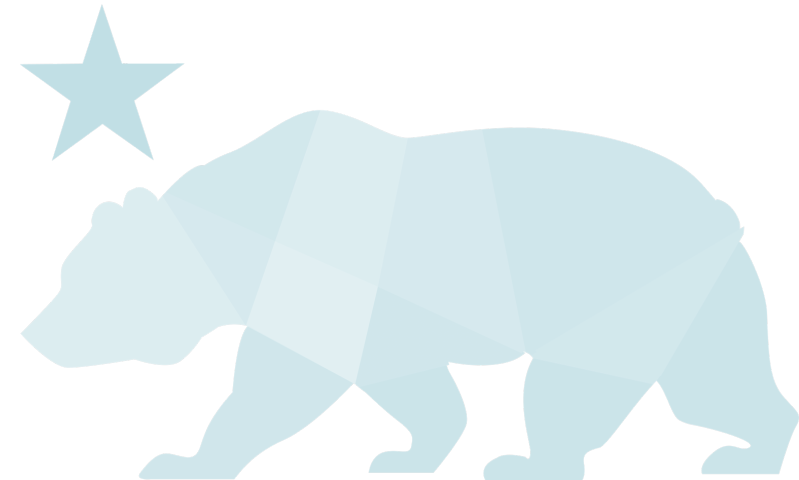


California's Housing Future 2040: The Next Regional Housing Needs Allocation

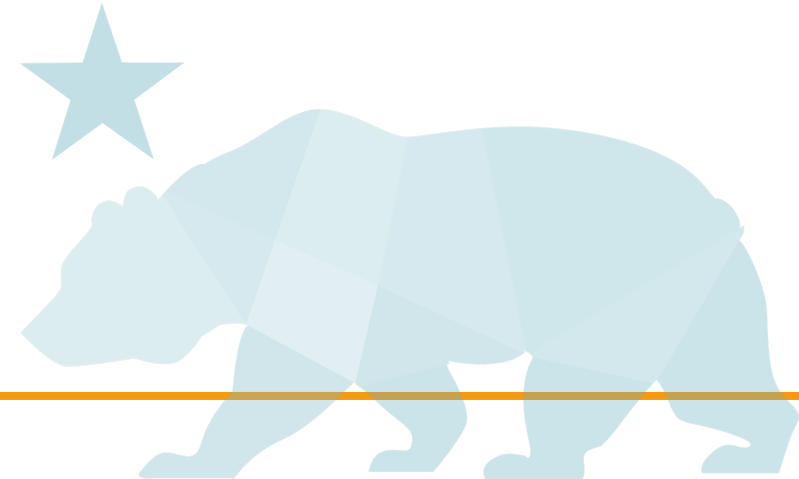
STATE OF CALIFORNIA

Housing and Community Development





What is RHNA & How Does it Currently Work?

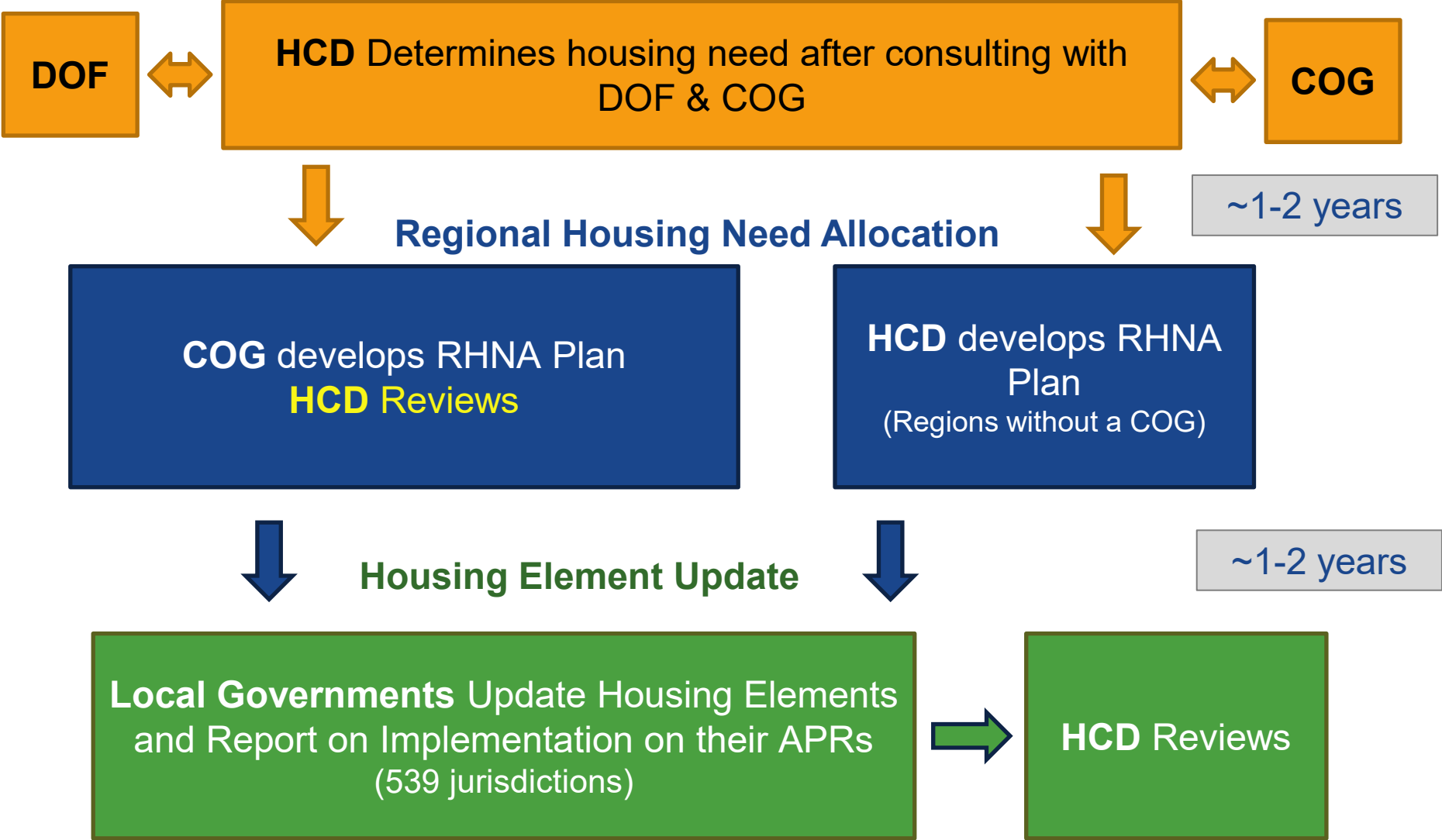


Understanding RHNA

- The RHNA process refers to the first two steps (Determination and Allocation) in a multi-step process for how California plans for housing needs in each region of the state.
 - RHNA is
 - A quantification of housing needs for a region, based on population growth and other factors
 - A planning requirement implemented by updating the housing element
 - 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 (rezoning is often necessary to accommodate RHNA)
-

Regional Housing Need Process

Regional Housing Need Determination

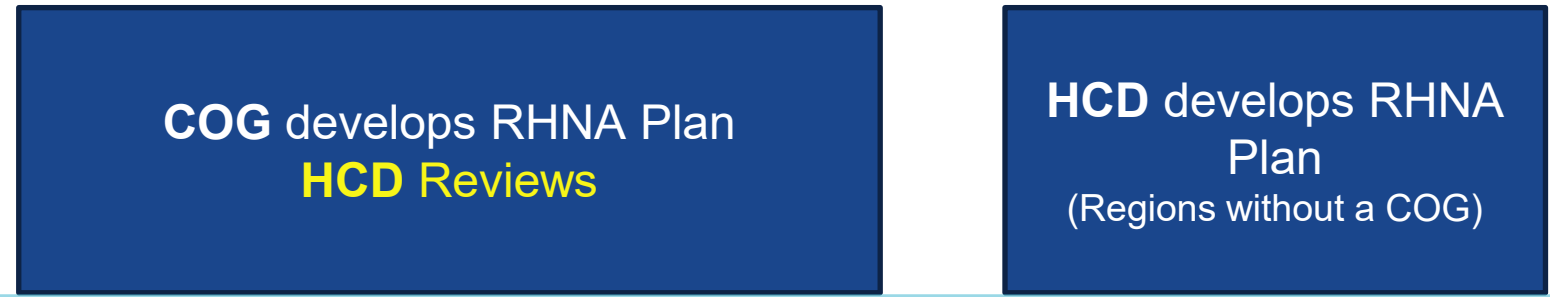


Regional Housing Need Process

Regional Housing Need Determination

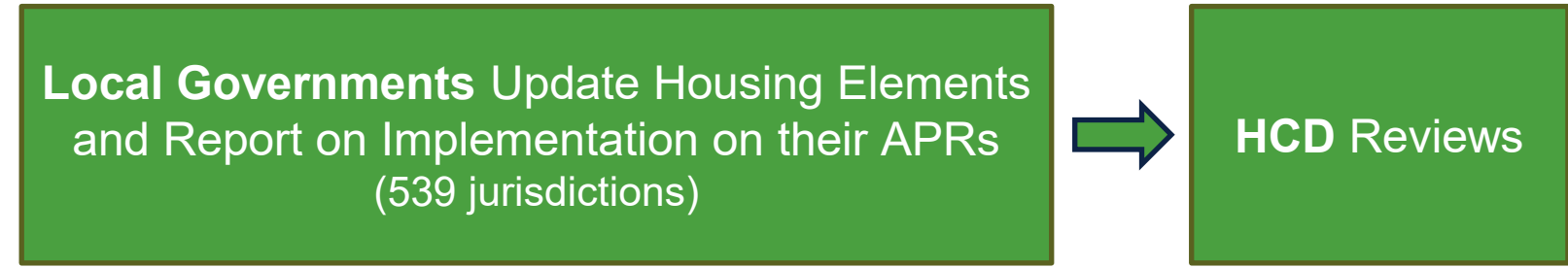


Regional Housing Need Allocation



~1-2 years

Housing Element Update



~1-2 years



Data Used in the Determination

- Anticipated household growth associated with projected population increases
 - Household size trend data
 - Overcrowding rate
 - The rate of household formation, based on age, gender, ethnicity, or other established demographic measures.
 - The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.
 - The relationship between jobs and housing
 - Cost burden
 - The loss of units during a state of emergency
-

RHNA Determination

RHNA Determination Factors

1. Projected Population at end of cycle, less group quarters population
2. Convert Projected Population to Projected Households
3. Adjustment increase for average housing unit replacement, unhealthy vacancy rates (renter and owner), cost burden, overcrowding, relationship between jobs and housing, and units lost during a state of emergency
4. Less: Occupied Units Projection Period Start
5. 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

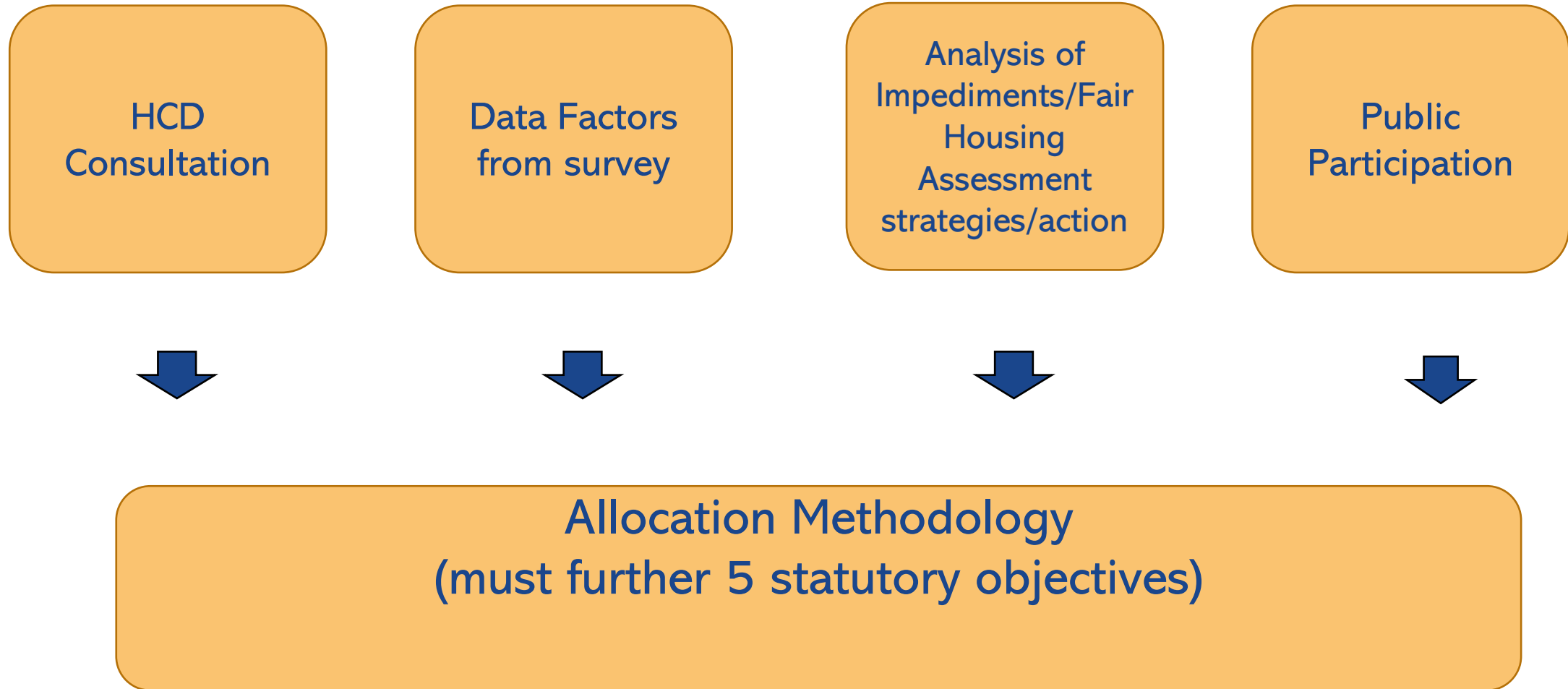
5 Statutory Objectives of RHNA

- 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)
 - Affirmatively furthering fair housing (AFFH).
-

COG Allocation Methodology 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
 - Emergency evacuation route capacity, wildfire risk, sea level rise, and other impacts caused by climate change
 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. Housing Needs of those experiencing homelessness
 11. Loss of units during a state of emergency
 12. Greenhouse gas emissions targets
 13. Other factors adopted by the COG that further or at minimum do not conflict with statutory objectives
-

COG Allocation Methodology



Allocation Plans & Appeals Period

- Draft Allocation Plan Released by COGs (18 months prior to housing element due date)
 - Appeal Period – appeals shall be limited to any of the following circumstances:
 1. Data factors described in the survey were not adequately considered
 2. The allocation was not made pursuant to the methodology that was created and was made in a manner that does not further the objectives
 3. A significant and unforeseen change in circumstances has occurred in the local jurisdiction
-



Stakeholder Engagement Plan

California's Housing Future 2040: The Next RHNA



Background

- AB 101 (2019) directs HCD, in collaboration with OPR and after engaging in stakeholder participation, to develop recommendations related to the RHNA process and methodology that promote and streamline housing development and substantially address California's housing shortage.
 - HCD is required to submit a report on its findings and recommendations to the legislature by December 31, 2023
 - Stakeholder Engagement Period will occur March – May 2023
-

Focus of Stakeholder Engagement

- How to better capture existing and projected housing needs
 - Exploring potential process changes to save staff time & resources, increase transparency, and increase accountability
 - Strategies to build on the important adjustments made during the 6th cycle that contributed to a more equitable RHNA
-

Engagement Strategy Overview

Stakeholder Engagement Period (March – May 2023)

- Kick-Off Webinar (today)
 - Dedicated Email Inbox: CAHousingFuture2040@hcd.ca.gov
 - Public Survey
 - Open through Friday, May 5, 2023
 - HCD will summarize survey results and will consider responses as HCD drafts recommendations, but due to capacity constraints will not comment on each response
-

Engagement Strategy Overview Continued

Stakeholder Engagement Period (March – May 2023)

- 4 Sounding Board Meetings with Technical Experts
 - ~30 technical experts that will include representation from academics, advocates, demographers, local and regional government, state government, and the legislature
 - Can submit written public comment on agenda items
 - Not a decision-making body
 - Listening Sessions with State Agencies and Other Partners
 - Meeting with Council of Government (COG) Partners
 - Presentations at Conferences and Recurring State Coordination Meetings
-

Timeline & Next Steps

- Timeline

- March – May 2023: Stakeholder Engagement Period
- July 1, 2023: HCD Progress Update to the Legislature
- Dec 31, 2023: Final Recommendation Report Due to the Legislature

- Helpful Resources

- Learn more about RHNA and California's Housing Future 2040 on our RHNA webpage: <https://www.hcd.ca.gov/planning-and-community-development/regional-housing-needs-allocation>
 - Dedicated email inbox: CAHousingFuture2040@hcd.ca.gov
-



Overview of Survey Topics

California's Housing Future 2040: The Next RHNA



Survey Topics

- Populations Living in Group Quarters



Survey Topics

- Populations Living in Group Quarters
- Regional Housing Need Allocation (RHNA) Methodology



Survey Topics

- Populations Living in Group Quarters
- Regional Housing Need Allocation (RHNA) Methodology
- Affirmatively Furthering Fair Housing (AFFH)



Survey Topics

- Populations Living in Group Quarters
- Regional Housing Need Allocation (RHNA) Methodology
- Affirmatively Furthering Fair Housing (AFFH)
- Housing and Transportation Alignment



Survey Topics

- Populations Living in Group Quarters
- Regional Housing Need Allocation (RHNA) Methodology
- Affirmatively Furthering Fair Housing (AFFH)
- Housing and Transportation Alignment
- Climate Change and Environmental Hazards



Thank you!

<https://www.hcd.ca.gov/contact-us/email-signup>

CAHousingFuture2040@hcd.ca.gov

