

## Comparable Regions Process

This is an overview of the process Councils of Governments (COGs) use to identify comparable regions during the Regional Housing Needs Determination (RHND) process.

During the determination process, statute allows HCD to make adjustments to the housing need based on certain factors, such as the regional vacancy rate, housing replacement needs, and units lost during a previous state of emergency. For a subset of these factors – cost burden and overcrowding – statute directs HCD to base the adjustment on a comparison between the region’s housing market and comparable housing markets in the nation. Statute gives COGs the authority to determine what regions should be considered comparable. If COGs do not complete this analysis, HCD makes the adjustment by comparing the region to the national average.

Specifically, statute directs COGs to share the following with HCD during the housing need determination process in 65584.01:

**“(C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:**

- (i) The term “overcrowded” means more than one resident per room in each room in a dwelling.
- (ii) The term “overcrowded rate for a **comparable housing market**” means that the **overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation**, as determined by the council of governments...

**(H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:**

- (i) The term “cost burdened” means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.
- (ii) The term “**rate of housing cost burden for a healthy housing market**” means that the **rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation**, as determined by the council of governments.”

Attached are several Comparable Regions Analyses produced by COGs in the 6<sup>th</sup> RHNA Cycle, which help illustrate how this requirement has been interpreted and implemented in the past.