

## **Jobs Housing Balance Adjustment**

This is an overview of the process HCD uses to account for jobs-housing imbalances 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, including the relationship between jobs and housing.

HCD has developed two new adjustments related to jobs-housing balance that were applied during the 7<sup>th</sup> cycle to counties on a 5-year planning cycle.

The first adjustment uses LEHD data to calculate the net number of workers commuting to the county from outside the region. The net number of workers is then divided by a healthy jobs housing balance ratio of 1.5 to calculate the number of housing units that would be needed to house these workers within the county. This number is then added to the RHND.

The second adjustment compares the preliminary calculation of housing need (plus the region's total occupied housing units) to regional employment projections to assess if the RHND will result in the achievement of a feasible balance between jobs and housing within the region. If a healthy balance of 1.5 is not achieved, HCD calculates the number of units that would be needed to achieve this healthy standard. This number is then added to the RHND.

The attached letter to Alpine County provides an example of how these adjustments have been applied in the 7<sup>th</sup> cycle.