

AGENDA DESCRIPTION:

Consideration and possible action to receive and file a report on the status of the preparation of the Regional Housing Needs Assessment 6th Cycle Allocation Plan

RECOMMENDED COUNCIL ACTION:

- (1) Receive and file a report on the preparation of the Regional Housing Needs Assessment 6th Cycle Allocation Plan.

FISCAL IMPACT: There is no fiscal impact associated with this action.

Amount Budgeted:	N/A
Additional Appropriation:	N/A
Account Number(s):	N/A

ORIGINATED BY: Octavio Silva, Senior Planner *O.S.*
REVIEWED BY: Ara Mhramian, AICP, Director of Community Development *Ara*
APPROVED BY: Doug Willmore, City Manager *DW*

ATTACHED SUPPORTING DOCUMENTS:

- A. HCD's Regional Housing Need Determination Letter, dated August 22, 2019 (page A-1)
- B. SCAG's Objection Letter to Regional Housing Need Determination, dated September 18, 2019 (page B-1)
- C. RHNA Methodology Estimate Tool (Option Nos.1-3) (page C-1)
- D. City of Rancho Palos Verdes RHNA Methodology comment letters, dated August 20, 2019, and September 9, 2019 (page D-1)
- E. RHNA Methodology Estimate Tool (Option No. 4) (page E-1)

BACKGROUND AND DISCUSSION:

Regional Housing Needs Assessment (RHNA)

RHNA is a representation of future housing needs for all income levels in a jurisdiction (city or unincorporated county) and is a requirement of California State Housing Law. Every jurisdiction must plan for its RHNA allocation in the Housing Element of its General Plan. The objectives of RHNA include:

- Increasing housing supply and mix of housing types, tenure and affordability

- Promoting infill development and socioeconomic equity, protection of resources and encouraging efficient development patterns
- Improving an intraregional relationship between jobs and housing
- Allocating a lower proportion of housing need in income categories in areas that have a disproportionately high share in comparison to the county distribution
- Affirmatively further fair housing

The Southern California Association of Governments (SCAG) is the organization tasked with developing a RHNA allocation plan for the Southern California region. SCAG is the nation's largest metropolitan planning organization, which represents six counties and 191 cities, including the City of Rancho Palos Verdes.

The City of Rancho Palos Verdes is currently in the 5th RHNA cycle, which covers the planning period between the years of 2013-2021. As part of the current cycle, the City's RHNA allocation is a total of 31 housing units in various income levels. The City is required to provide annual RHNA progress reports to the State's Housing and Community Development (HCD) Department. In 2019, the City reported the completion of 18 housing units with 13 remaining that need to be provided by the year 2021. Staff will continue to implement the programs as specified in the City's Housing Element to ensure that the remaining units are provided by 2021.

SCAG is in the process of preparing a 6th RHNA cycle allocation plan to cover the planning periods of 2021-2029.

Regional Housing Need Determination

An initial step in developing the allocation plan for the 6th RHNA cycle requires SCAG to first develop a RHNA methodology by which to distribute existing and projected housing need to each jurisdiction. HCD is required to provide SCAG with an existing and projected housing need, referred to as the regional housing need determination. HCD recently provided SCAG with a regional housing need determination (Attachment A) of 1,344,740 housing units among four income categories, which include very-low, low, moderate and above-moderate income levels. On September 18, 2019, SCAG submitted an objection letter (Attachment B) to HCD regarding the regional housing need determination expressing concerns that HCD did not base its determination on SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Growth Forecast, which is contrary to Government Code requirements. As of the preparation of this report, HCD has not responded to SCAG's objection letter.

RHNA Methodology Options

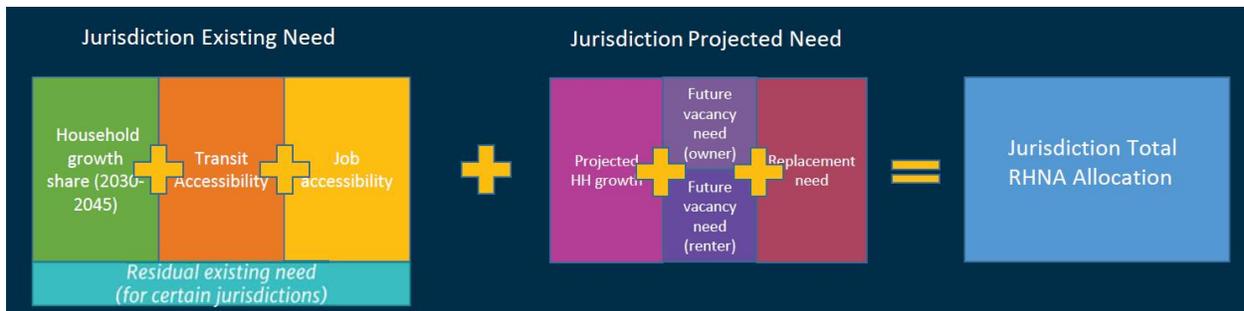
On August 2, 2019, SCAG released three RHNA methodology options for the distribution of the regional housing need determination to local jurisdictions based on a preliminary assumption of HCD's regional housing need determination as described above. A detailed description and analysis of the three methodology options can be viewed [here](#). In summary, the methodology options consist of two components, which

include an existing housing need and a projected housing need. The factors used to derive both components vary among the three methodology options, but generally, the methodology options include factors such as a jurisdiction’s share of population and share of population within high quality transit areas, as well as local input and social equity adjustment. To better assist local jurisdictions in assessing their RHNA allocation under the different methodology options, SCAG developed a RHNA Methodology Estimate Tool. Based on the estimate tool (Attachment C), until recently, the City of Rancho Palos Verdes would have been required to provide the following housing units across varying income levels depending on the methodology selected by SCAG:

- Option No. 1: 1,852 units
- Option No. 2: 2,390 units
- Option No. 3: 75 units

As part of the consideration of the three RHNA methodology options, SCAG conducted a public hearing process in order to receive feedback and input from the public and local jurisdictions. At the end of the 60-day public comment period, SCAG received 250 public comment letters, two of which were from the City of Rancho Palos Verdes (Attachment D) and which expressed concerns with the three RHNA methodology options and requested for more local input.

On September 23, 2019, SCAG staff conducted a RHNA Allocation Methodology Workshop, which previewed the SCAG staff-recommended draft RHNA methodology option. This option is a hybrid of the three RHNA methodology options and considers input provided by the public and local jurisdictions during the public comment period. A detailed description and analysis of the SCAG staff-recommended draft methodology option can be viewed [here](#). In summary, the draft RHNA methodology is also composed of both an existing and a projected housing need, similar to the other three methodology options. The factors used to derive the existing housing need include: A) projected household growth, B) future vacancy need, and C) replacement need. The factors used to derive the projected housing need include: A) household growth, B) transit accessibility, and C) job accessibility. Below is an illustration of the SCAG staff-recommended draft RHNA methodology option:



Using the RHNA Methodology Estimate Tool (Attachment E), the City would be required to provide 94 housing units under this draft RHNA methodology. A reason for the City having an allocated 6th RHNA Cycle need of 94 units compared to a 5th RHNA Cycle

allocated need of 31 units is that HCD's 2021-2029 regional determination is 3 times larger than for the 2013-2021 period (1,344,740 units vs. 412,000 units). The SCAG staff-recommended draft methodology presents a significant decrease from methodology option Nos. 1 and 2 being considered by SCAG, but remains higher than methodology option No. 3. Moreover, this new number remains difficult for the City to achieve. Staff will continue to pursue efforts to significantly reduce this allocation number based on the City's constraints such as the Very High Fire Hazard Severity Zone, geology, and federal and state-protected biological resources. After the Draft RHNA Allocation Plan is released (February 2020), the City will have an opportunity to appeal the need allocated if necessary.

On October 7, 2019, SCAG staff presented their draft RHNA methodology option to their RHNA Subcommittee for review and consideration. The RHNA Subcommittee accepted staff's recommendation to forward the draft RHNA methodology to the Community, Economic and Human Development (CEHD) Committee for consideration and recommendation to the Regional Council to submit the draft RHNA methodology to HCD for a 60-day review.

Next Steps

The next steps in the RHNA 6th Cycle Allocation Plan include, but are not limited to:

- October 21, 2019: Presentation of Methodology Option(s) to the SCAG's CEHD Committee
- November 7, 2019: Presentation of the Methodology Option (s) to the SCAG Regional Council
- November 2019 - January 2020: HCD 60-day review of adopted methodology
- January/February 2020: Final RHNA Allocation Methodology approved by HCD
- February 2020: Draft RHNA Allocation Plan issued
- March-July: Appeal Process
- August 2020: Proposed Final RHNA Allocation Plan issued
- October 2020: Final RHNA Allocation Plan approved by HCD

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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August 22, 2019

Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017

Dear Executive Director Ajise:

RE: Regional Housing Need Determination

This letter provides the Southern California Association of Governments (SCAG) its determination of the Regional Housing Need Determination. Pursuant to Government Code (Gov. Code) section 65584.01, the Department of Housing and Community Development (HCD) is required to provide the determination of SCAG's existing and projected housing need.

In assessing SCAG's regional housing need, HCD and SCAG staff completed an extensive consultation process starting in March 2017 through August 2019 covering the methodology, data sources, and timeline. HCD also consulted with Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **1,344,740** total units among four income categories for SCAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01.

As you know, SCAG is responsible for adopting a RHNA allocation methodology for the *projection* period beginning June 30, 2021 and ending October 15, 2029. Pursuant to Gov. Code section 65584(d), SCAG's RHNA allocation methodology must further the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- (5) Affirmatively furthering fair housing.

Pursuant to Gov. Code section 65584.04(e), to the extent data is available, SCAG shall include the factors listed in Gov. Code section 65584.04(e)(1-12) to develop its RHNA allocation methodology, and pursuant to Gov. Code section 65584.04(f), SCAG must explain in writing how each of these factors was incorporated into the RHNA allocation methodology and how the methodology furthers the statutory objectives described above. Pursuant to Government Code section 65584.04(h), SCAG must consult with HCD and submit its draft allocation methodology to HCD for review.

HCD appreciates the active role of SCAG staff in providing data and input throughout the consultation period. Pursuant to Government Code section 65584.01(c)(1), HCD may accept or reject the information provided by the council of governments or modify its own assumptions based on this information.

The Department especially thanks Ping Chang, Ma'Ayn Johnson, Kevin Kane, and Sarah Jepson. The Department looks forward to its continued partnership with SCAG and its member jurisdictions and assisting SCAG in its planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at megan.kirkeby@hcd.ca.gov.

Sincerely,



Megan Kirkeby
Assistant Deputy Director for Fair Housing

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	26.1%	350,998
Low	15.3%	206,338
Moderate	16.7%	225,152
Above-Moderate	41.8%	562,252
Total	100.0%	1,344,740
* Extremely-Low	14.5%	Included in Very-Low Category

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and regional median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION SCAG: June 30, 2021 – October 15, 2029 (8.3 years)

Methodology

SCAG: June 30, 2021-October 15, 2029 (8.3 Years) HCD Determined Population, Households, & Housing Need				
1.	Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			20,455,355
2.	- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			-363,635
3.	Household (HH) Population: October 15, 2029			20,079,930
	Household Formation Groups	HCD Adjusted DOF Projected HH Population	DOF HH Formation Rates	HCD Adjusted DOF Projected Households
		20,079,930		6,801,760
	under 15 years	3,292,955	n/a	n/a
	15 – 24 years	2,735,490	6.45%	176,500
	25 – 34 years	2,526,620	32.54%	822,045
	35 – 44 years	2,460,805	44.23%	1,088,305
	45 – 54 years	2,502,190	47.16%	1,180,075
	55 – 64 years	2,399,180	50.82%	1,219,180
	65 – 74 years	2,238,605	52.54%	1,176,130
	75 – 84 years	1,379,335	57.96%	799,455
	85+	544,750	62.43%	340,070
4.	Projected Households (Occupied Unit Stock)			6,801,760
5.	+ Vacancy Adjustment (2.63%)			178,896
6.	+ Overcrowding Adjustment (6.76%)			459,917
7.	+ Replacement Adjustment (.50%)			34,010
8.	- Occupied Units (HHs) estimated (June 30, 2021)			-6,250,261
9.	+ Cost Burden Adjustment (Lower Income: 10.63%, Moderate and Above Moderate Income: 9.28%)			120,418
6th Cycle Regional Housing Need Assessment (RHNA)				1,344,740

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
 5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% and region's current vacancy rate (2.37%) based on the 2013-2017 5-year American Community Survey (ACS) data. For SCAG that difference is 2.63%.
 6. Overcrowding Adjustment: In region's where overcrowding is greater than the U.S overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the region's overcrowding rate (10.11%) exceeds the U.S. overcrowding rate (3.35%) based on the 2013-2017 5-year ACS data. For SCAG that difference is 6.76%.
- Continued on next page*

7. Replacement Adjustment: HCD applies a replacement adjustment between .5% & 5% to total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance (DOF). For SCAG, the 10-year average is .14%, and SCAG's consultation package provided additional data on this input indicating it may be closer to .41%; in either data source the estimate is below the minimum replacement adjustment so the minimum adjustment factor of .5% is applied.
8. Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The very-low and low income RHNA is increased by the percent difference ($70.83\% - 60.20\% = 10.63\%$) between the region and the national average cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference ($20.48\% - 11.20\% = 9.28\%$) between the region and the national average cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2011-2015 Comprehensive Housing Affordability Strategy (CHAS).



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September 18, 2019

Mr. Doug McCauley
Acting Director
Housing & Community Development (HCD)
2020 W. El Camino Ave.
Sacramento, CA 95833

Subject: SCAG's Objection to HCD's Regional Housing Need
Determination

Dear Mr. McCauley,

This letter represents the Southern California Association of Governments (SCAG)'s formal objection to HCD's Regional Housing Need Determination as submitted to SCAG on August 22, 2019 and is made in accordance with Government Code Section 65584.01(c)(2)(A) and (B). At the outset, please know that SCAG is fully aware that the State of California is in the midst of a housing crisis and that resolving this crisis requires strong partnerships with state, regional and local entities in addition to private and non-profit sectors.

As such, SCAG desires to be an active and constructive partner with the State and HCD on solving our current housing crisis, and this objection should not suggest otherwise. We are in fact currently setting up a housing program that will assist our local jurisdictions on activities and policies that will lead to actual housing unit construction.

In the context of the 6th cycle Regional Housing Needs Assessment (RHNA) process, SCAG appreciates the collaboration with HCD as reflected in the numerous consultation sessions on the regional determination and other staff engagement on housing issues with the objective of making RHNA a meaningful step toward addressing our housing crisis.

As you are aware, HCD transmitted its Regional Housing Needs Determination of 1,344,740 units for the SCAG region last month. This number reflects the housing units that local jurisdictions in the region must plan for during the 8-year period from October 2021 to October 2029. At the September 5, 2019 meeting, SCAG Regional Council authorized staff to file an objection to HCD on regional housing need determination pursuant to Government Code Section 65584.01(c).

REGIONAL COUNCIL OFFICERS

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Rex Richardson, Long Beach

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Transportation
Cheryl Viegas-Walker, El Centro

I would like to note that SCAG's objection focuses on the process and adherence to state housing law requirements and not necessarily to the regional housing need determination number. The ultimate aim of this objection, as discussed at length by the Regional Council, is to ensure the most technically and legally credible basis for a regional determination so that the 197 local jurisdictions in the SCAG region can approach the difficult task of zoning to accommodate regional needs with the backing of the most robust and realistic target that is possible.

One of our major concerns is that HCD did not base its determination on SCAG's RTP/SCS Growth Forecast, which was inconsistent with Government Code 65584.01(c)(2)(A). Another major concern is that pursuant to Government Code 65584.01(c) (2) (B), HCD's determination of housing need in the SCAG region is not a reasonable application of the methodology and assumptions described in statute. Specifically, HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions as statutorily required. These and two additional basis for objections are described in detail in the section below which also includes a deduction for household growth on tribal land and a concern that the vacancy rate standards used by HCD are not substantiated by data, analysis, or literature. In addition, the attached EXCEL worksheet and technical documentation contain SCAG's alternative proposed 6th cycle RHNA determination, which would consist of a range of total housing unit need between 823,808 and 920,772.

BASIS FOR SCAG OBJECTION

Use of SCAG's Population Forecast

HCD did not base its determination on SCAG's RTP/SCS Growth Forecast, which was provided in the original consultation package and via follow-up email to HCD. Government Code 65584.01(a) indicates [emphasis added]:

*“(a) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. **If the total regional population forecast for the projection year, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 1.5 percent of the total regional population forecast for the projection year by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region.** If the difference between the total population projected by the council of governments and the total population projected for the region by the Department of Finance is greater than 1.5 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.”*

SCAG projects total regional population to grow to 20,725,878 by October, 2029. SCAG's projection differs from Department of Finance (DOF) projection of 20,689,591, which was issued by DOF in May, 2018, by 0.18%. The total population provided in HCD's determination is 20,455,355, reflecting an updated DOF projection, differs from SCAG's projection by 1.32%. As SCAG's total projection is within the statutory tolerance of 1.5%, accordingly HCD is to use SCAG's population forecast.

While HCD has emphasized that consistency in approach to the 6th cycle RHNA across regions is a priority, deference to the Council of Governments' forecast as specified in statute is an important aspect of regional planning. Federal requirements for SCAG's Regional Transportation Plan necessitate a forecast of population, households, and employment for evaluating future land use patterns and measuring future travel demand as well as air quality conformity under the federal Clean Air Act. In addition, under SB 375, the State requires SCAG to develop a Sustainable Communities Strategy which is a coordination of transportation and land use in the regional planning process to achieve State's climate goals. Both federal and State requirements are predicated on SCAG's forecast of population, households and employment.

As a result, SCAG has a long-established and well-respected process for producing a balanced forecast of population, households, and employment for the region, the details of which can be found in each Regional Transportation Plan (e.g. http://scagrtpscs.net/Documents/2016/final/f2016RTPSCS_DemographicsGrowthForecast.pdf). SCAG's quadrennial growth forecast begins with a consensus on appropriate assumptions of fertility, migration, immigration, household formation, and job growth by a panel of state and regional experts including members of DOF's Demographic Research Unit. In addition, SCAG co-hosts an annual demographic workshop with the University of Southern California to keep state and regional experts and stakeholders apprised of demographic and economic trends (<https://www.scag.ca.gov/calendar/Pages/DemographicWorkshop.aspx>).

SCAG places a high priority on generating its own forecasts of population, households, and employment and ensuring the highest possible degree of consistency and integrity of its projections for transportation, land use, and housing planning purposes.

Use of Comparable Regions

Pursuant to Government Code 65584.01(c)(2)(B), HCD's determination of housing need in the SCAG region is not a reasonable application of the methodology and assumptions described in statute. Specifically, HCD compared household overcrowding and cost-burden rates in the SCAG region to national averages rather than to rates in comparable regions as statutorily required.

SCAG's initial consultation package provided an approach using comparable regions to evaluate household overcrowding. SCAG staff met with HCD staff in-person in both Los Angeles and Sacramento to discuss adjustment criteria and how to define a comparable region to Southern California, as our region's size precludes a straightforward comparison. At the direction of HCD, SCAG staff refined its methodology for identifying comparable regions and provided a state-of-the-practice analysis supported by recent demographic and economic literature which determined

that the most appropriate comparison to the SCAG region would be an evaluation against the San Jose, New York, San Francisco, Miami, Seattle, Chicago, San Diego, Washington D.C., Houston, and Dallas metropolitan areas. Despite this collaboration on the subject between HCD and SCAG, HCD elected to reject this approach and instead used national average statistics, which include small metropolitan areas and rural areas having little in common with Southern California.

HCD's choice to use national averages:

- Is inconsistent with the statutory language of SB 828, which added the comparable region standard to RHNA law in order to improve the technical robustness of measures of housing need.
- Is inconsistent with empirical data as economic and demographic characteristics differ dramatically based on regional size and context. For comparison, the median-sized metropolitan region in the country is Fargo, North Dakota with a population of 207,500. That is not a meaningful basis of comparison for the nation's largest MPO.
- Is inconsistent with HCD's own internal practice for the 6th cycle of RHNA. The regional need determination for the Sacramento Area Council of Governments (SACOG), issued on July 18, 2019, was the first 6th cycle RHNA determination following SB 828's inclusion of the comparable region standard. During their consultation process with HCD, SACOG also produced a robust technical analysis to identify comparable regions for the purposes of using overcrowding and cost-burden statistics to determine regional housing needs. However, HCD's final determination for SACOG used this analysis while the SCAG region was held to a different and less reasonable standard.

Improved Vacancy Rate Comparison

HCD seemingly uses unrealistic comparison points to evaluate healthy market vacancy, which is also an unreasonable application of the methodology and assumptions described in statute. While SB 828 specifies a vacancy rate for a healthy rental housing market as no less than 5 percent, healthy market vacancy rates for for-sale housing are not specified. HCD's practice is to compare actual, ACS vacancy rates for the region versus a 5 percent total vacancy rate (i.e. owner and renter markets combined).

During the consultation process, SCAG discussed this matter with HCD staff and provided several points of comparison including historical data, planning standards, and comparisons with other regions. In addition, SCAG staff illustrated that given tenure shares in the SCAG region, HCD's suggestion of a 5 percent total vacancy rate is mathematically equivalent to an 8 percent rental market vacancy rate plus a 2.25 percent for-sale housing vacancy rate. However, in major metropolitan regions, vacancy rates this high are rarely experienced outside of severe economic recessions such as the recent, housing market-driven Great Recession. Given the region's current housing shortage, the high volume of vacant units envisioned in HCD's planning target would be rapidly absorbed, making it an unrealistic standard.

SCAG staff's original suggestion of 5 percent rental vacancy and 1.5 percent for-sale vacancy (resulting in a 3.17 percent total vacancy rate based on current tenure shares) is in fact *higher* than the observed rate in the comparable regions defined above. It is also above Federal Housing Authority standards for regions experiencing slow or moderate population growth. It is also above the very liberal standard of 6 percent for for-rent housing and 2 percent for for-sale housing suggested by the California Office of Planning and Research (equivalent to 3.90 percent total vacancy based on SCAG tenure shares) which would also be a more reasonable application of the methodology.¹

Additional Considerations

In addition to the three key points above, SCAG's proposed alternative includes several other corrections to technical shortcomings in HCD's analysis of regional housing needs.

1. HCD's evaluation of replacement need is based on an arbitrary internal standard of 0.5 percent to 5.0 percent of total housing units. 2010-2019 demolition data provided by DOF suggest that over an 8.25-year period, it is reasonable to expect that 0.14 percent of the region's total housing units will be demolished, but not replaced. This would form the basis of a more reasonable housing needs determination, as DOF's survey represents the most comprehensive and robust data available.
2. Anticipated household growth on tribal land was not excluded from the regional determination as indicated in the consultation package and follow-up communications. Tribal entities within the SCAG region have repeatedly requested that this estimate be excluded from the RHNA process entirely since as sovereign nations, state law does not apply. SCAG's proposed approach is to subtract estimates of household growth on tribal land from the regional determination and ensure that these figures are also excluded from local jurisdictions' annual progress reports (APRs) of new unit construction to HCD during the 6th cycle.
3. A refinement to the adjustment for cost burden would yield a more reasonable determination of regional housing needs. SCAG has repeatedly emphasized the shortcomings of and overlap across various ACS-based measures of housing need. Furthermore, the relationship between new unit construction and cost burden is poorly understood (i.e., what will be the impact of new units on cost, and by extension, cost-burden). Nonetheless, SCAG recognizes that the region's cost burden exceeds that of comparable regions and proposes one modification to HCD's methodology, which currently considers cost burden separately by lower and higher income categories.

While housing security is dependent on income, it is also heavily dependent on tenure. While spending above 30 percent of gross income on housing for renters can reflect true housing insecurity, spending above this threshold for owners is substantially less problematic. This is particularly true for higher income homeowners, who generally benefit from housing shortages as it results in home value appreciation. Thus, a more reasonable application of cost burden

¹ See Nelson, AC. (2004), *Planner's Estimating Guide Projecting Land-Use and Facility Needs*. Planners Press, American Planning Association, Chicago. P. 25.

statistics would exclude cost-burden experienced by moderate and above-moderate owner households and instead make an adjustment based on three of the four income and tenure combinations: lower-income renters, higher-income renters, and lower-income owners.

4. From our review, HCD's data and use of data is not current. In large metropolitan regions, there is no reasonable basis for using 5-year ACS data, which reflects average conditions from 2013 to 2017. For cost-burden adjustments, HCD relies on 2011-2015 CHAS data. By the beginning of the 6th cycle of RHNA, some of the social conditions upon which the determination is based will be eight years old.

During the consultation process, SCAG staff provided HCD with Excel-version data of all inputs needed to replicate their methodology using ACS 2017 1-year data (the most recent available); however, this was not used. The Census bureau is scheduled to release ACS 2018 1-year data on September 26, 2019. SCAG staff would support replicating the same analysis, but substituting 2018 data when it becomes available in order to ensure the most accurate estimates in planning for the region's future.

Finally, given that the manner and order in which modifications are made affects the total housing need, the attachments demonstrate two alternatives with varying interpretations of three of the above points (see boldface, red text in attachments):

- Vacancy rate comparison – SCAG's originally proposed values versus an alternative which emerged from the consultation process
- Replacement need – DOF survey value versus HCD's current practice
- Cost burden measure – whether or not to include higher-income homeowners in this adjustment

We appreciate your careful consideration of this objection. RHNA is a complex process and we recognize the difficult positions that both SCAG and HCD are in but are hopeful that our agencies can reach a reasonable conclusion with respect to the regional need determination. Please contact me if you have questions. I look forward to continuing our close partnership to address the housing crisis in our state.

Sincerely,



Kome Ajise
Executive Director

Attachments

1. SCAG Alternative Determination
2. Excel version: SCAG Alternative Determination and supporting data
3. HCD Letter on Regional Need Determination, August 22, 2019

Attachment 1
SCAG Alternative Determination

1	OPTION A: SCAG region housing needs, June 30 2021-October 1 2029 (8.25 Years)			
2	Population: Oct 1, 2029 (SCAG 2020 RTP/SCS Forecast)			20,725,878
3	- Less Group Quarters Population (SCAG 2020 RTP/SCS Forecast)			-327,879
4	Household (HH) Population, Oct 1, 2029			20,397,998
		SCAG Projected HH Population	Headship rate - see Table 2	Projected Households
	Household Formation Groups			
		20,397,998		6,668,498
	under 15 years	3,812,391		n/a
	15 - 24 years	2,642,548		147,005
	25 - 34 years	2,847,526		864,349
	35 - 44 years	2,821,442		1,304,658
	45 - 54 years	2,450,776		1,243,288
	55 - 64 years	2,182,421		1,116,479
	65 -74 years	1,883,181		1,015,576
	75 - 84 years	1,167,232		637,415
	85+	590,480		339,727
5	Projected Households (Occupied Unit Stock)			6,668,498
6	+ Vacancy	Owner	Renter	
	Tenure Share (ACS 2017 1-year)	52.43%	47.57%	
	Households by Tenure	3,496,058	3,172,440	
	Healthy Market Vacancy Standard	1.50%	5.00%	
	SCAG Vacancy (ACS 2017 1-year)	1.13%	3.30%	
	Difference	0.37%	1.70%	
	Vacancy Adjustment	12,953	53,815	66,768
7	+ Overcrowding (Comparison Point vs. Region ACS %)	5.20%	9.82%	4.62%
8	+ Replacement Adj (Actual DOF Demolitions)		0.14%	
	- Household Growth on Tribal Land (SCAG Estimate)			-2,766
9	- Occupied Units (HHs) estimated June 30, 2021 (from DOF data)			-6,250,261
10	+ Cost-burden Adjustment (Comparison Point vs. Region)			23,969
	6th Cycle Regional Housing Need Assessment (RHNA)			823,808

1	OPTION B: SCAG region housing needs, June 30 2021–October 1 2029 (8.25 Years)			
2	Population: Oct 1, 2029 (SCAG 2020 RTP/SCS Forecast)			20,725,878
3	- Less Group Quarters Population (SCAG 2020 RTP/SCS Forecast)			-327,879
4	Household (HH) Population, Oct 1, 2029			20,397,998
		SCAG Projected HH Population	Headship rate - see Table 2	Projected Households
	Household Formation Groups	20,397,998		6,668,498
	under 15 years	3,812,391		n/a
	15 - 24 years	2,642,548		147,005
	25 - 34 years	2,847,526		864,349
	35 - 44 years	2,821,442		1,304,658
	45 - 54 years	2,450,776		1,243,288
	55 - 64 years	2,182,421		1,116,479
	65 -74 years	1,883,181		1,015,576
	75 - 84 years	1,167,232		637,415
	85+	590,480		339,727
5	Projected Households (Occupied Unit Stock)			6,668,498
6	+ Vacancy	Owner	Renter	
	Tenure Share (ACS 2017 1-year)	52.43%	47.57%	
	Households by Tenure	3,496,058	3,172,440	
	Healthy Market Vacancy Standard	2.00%	6.00%	
	SCAG Vacancy (ACS 2017 1-year)	1.13%	3.30%	
	Difference	0.87%	2.70%	
	Vacancy Adjustment	30,433	85,540	115,973
7	+ Overcrowding (Comparison Point vs. Region ACS %)	5.20%	9.82%	4.62%
8	+ Replacement Adj (HCD minimum standard)		0.50%	
	- Household Growth on Tribal Land (SCAG Estimate)			-2,766
9	- Occupied Units (HHs) estimated June 30, 2021 (from DOF data)			-6,250,261
10	+ Cost-burden Adjustment (Comparison Point vs. Region)			47,724
	6th Cycle Regional Housing Need Assessment (RHNA)			920,772

1	Projection period: Gov. Code 65588(f) specifies RHNA projection period start is December 31 or June 30, whichever date most closely precedes end of previous RHNA projection period end date. RHNA projection period end date is set to align with planning period end date. The planning period end date is eight years following the Housing Element due date, which is 18 months following the Regional Transportation Plan adoption rounded to the 15th or end of the month.
2-5	Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from SCAG's Regional Transportation Plan projections. <u>Population</u> reflects total persons. <u>Group Quarter Population</u> reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. <u>Household Population</u> reflects persons requiring residential housing. <u>Projected Households</u> reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
6	Vacancy Adjustment: Pursuant to Government Code 65584.01, a 5% minimum is considered to be healthy market vacancy in the for-rent housing market. Vacancy rates in the for-sale market are unspecified in statute. SCAG's analysis of vacancy rates suggests a healthy market standard of 5% for fore-rent housing and 1.5% for for-sale housing. After extensive consultation with HCD, a review of historical trends, regional and national comparison, and various planning standards, a more liberal vacancy standard of 6% for for-rent housing and 2% for for-sale housing may also be supported by this analysis. These standards are compared against ACS 2017 1-year data based on the renter/owner share in the SCAG region.
7	Overcrowding Adjustment: In regions where overcrowding is greater than the Comparable Region Rate, an adjustment is applied based on the amount the region's overcrowding rate (9.82%) exceeds the Comparable Region Rate (5.20%). Data is from 2017 1-year ACS.
8	Replacement Adjustment: A replacement adjustment is applied based on the current 10-year average % of demolitions according to local government annual reports to Department of Finance. While these data suggest an adjustment of 0.14% is most appropriate, SCAG recognizes that HCD's internal practice is to use an adjustment factor of 0.5%.
9	Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
10	Cost Burden Adjustment: A cost-burden adjustment is applied to the projected need by comparing the difference in cost-burden by income and tenure group for the region to the cost-burden by income and tenure group for comparable regions. Data are from 2017 1-year ACS and the ACS \$50,000/year household income threshold is used to distinguish between lower and higher income groups. The lower income RHNA is increased by the percent difference between the region and the comparison region cost burden rate for households earning approximately 80% of area median income and below (88.89%-84.39%=4.51% for renters and 27.33%-20.97%=6.36% for owners), then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent (Very Low=63% of lower, Low=37% of lower). The higher income RHNA is increased by the percent difference between the region and the comparison region cost burden rate (67.15%-65.53%=1.62% for renters and 23.78%-17.06%=6.72% for owners) for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent (Moderate=29% of higher, Above Moderate=71% of higher). SCAG's analysis of the cost-burden measure suggests that it may be less appropriate to apply for higher-income owners and it may be excluded from the adjustment.

Option A: Regional Housing Need Allocation (RHNA) Determination

SCAG Region

June 30, 2021 through October 1, 2029

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	25.8%	212,284
Low	15.1%	124,375
Moderate	17.1%	140,601
Above-Moderate	42.1%	346,547
Total	100.0%	823,808
* Extremely-Low	14.6%	included in Very-Low Category

Option B: Regional Housing Need Allocation (RHNA) Determination

SCAG Region

June 30, 2021 through October 1, 2029

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	25.8%	231,084
Low	15.1%	135,390
Moderate	17.1%	159,982
Above-Moderate	42.1%	394,316
Total	100.0%	920,772
* Extremely-Low	14.6%	included in Very-Low Category

Income Distribution : Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and county median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.

Regional Housing Needs Assessment Methodology Estimate Tool (Option No.1-3)

SCAG 6TH CYCLE RHNA - DRAFT HOUSING NEEDS ALLOCATION OPTIONS FOR PUBLIC REVIEW			For complete descriptions of values below, see "metadata" tab or SCAG's proposed RHNA methodology released 8/1/19.							
26-Aug-19										
<p>What is this? This spreadsheet tool is designed to provide general estimates of a draft RHNA allocation under three options outlined in the proposed RHNA methodology released by SCAG on 8/1/19. <i>Data and figures are advisory only, are not final, may be subject to corrections, and</i></p> <p>Instructions: Select jurisdiction from drop-down menu and enter total regional housing need in the yellow boxes. Green boxes will populate</p> <p>Note: HCD provided its final regional determination of 1,344,740 units on 8/22/19. This tool only provides and estimate and does not reflect the draft RHNA allocation for any local jurisdiction despite this update, as SCAG has not finalized its allocation</p>	Select Jurisdiction (drop-down menu)		Option 1 for Rancho Palos Verdes city		Option 2 for Rancho Palos Verdes city		Option 3 for Rancho Palos Verdes city			
	Rancho Palos Verdes city		Local Input household growth, RHNA per	23	Need due to population share (80%)	2390	Horizon year for pop. growth	2045		
	Total regional housing need	1,344,740	Vacancy Adjustment	1	Need due to HQTAs population share (2	0	Share of region's 2020-2045 pop. growth	0.01%		
	Rancho Palos Verdes city statistics:		Replacement Need	0	TOTAL RHNA FOR RANCHO PALOS VERDE	2390	Need due to local input pop. growth	71		
	Local Input household growth, RHNA per	23	Regional Percentile	0%	TOTAL PROJECTED NEED:	24	Very-low income (<50% of AMI)	803	Vacancy Adjustment	4
	Share of region's 2019 population:	0.22%		44%	Existing need due to population share (1	1307	Low income (50-80% of AMI)	463	Replacement Need	0
	Share of region's HQTAs population:	0.00%		0%	Existing need due to HQTAs pop. share (2	0	Moderate income (80-120% of AMI)	442	TOTAL RHNA FOR RANCHO PALOS VERDE	75
	New unit permits per population (2006-	0.006		17%	Existing need due to recent building (10	521	Above moderate income (>120% of AMI)	682	Very-low income (<50% of AMI)	25
	Percent of households who are renting:	20.4%		7%	TOTAL EXISTING NEED*	1828			Low income (50-80% of AMI)	15
	Housing unit losses from demolition (20	0		0%	TOTAL RHNA FOR RANCHO PALOS VERDES CI	1852			Moderate income (80-120% of AMI)	14
				Very-low income (<50% of AMI)	755			Above moderate income (>120% of AMI)	21	
				Low income (50-80% of AMI)	540					
				Moderate income (80-120% of AMI)	551					
				Above moderate income (>120% of AMI)	7					
			*The regional existing and projected need under Option 1 assume that HCD will not separate them in the regional determination. Option 1 existing need							

SUBMITTED ELECTRONICALLY

August 20, 2019

Honorable Peggy Huang, Chair
Regional Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Blvd, Suite No. 1700
Los Angeles, CA 90017

SUBJECT: DRAFT REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) PROPOSED METHODOLOGY

Dear Chair Huang,

The City of Rancho Palos Verdes appreciates the opportunity to provide the following comments on the proposed RHNA methodology for your consideration. Since the 2013 adoption of the Housing Element, the City has actively engaged in implementing the goals and policies of the Housing Element including the creation of housing units to meet designated RHNA allocations. More specifically, the City has provided for housing units in various income levels and anticipates that remaining units will be provided as identified in the City's Housing Element.

The City joins other jurisdictions in expressing concerns as to the feasibility of meeting new RHNA allocations under the methodology options proposed by the Southern California Association of Governments (SCAG). While the City supports the development of housing units that improve the availability of affordable and safe housing throughout the region, the City also promotes housing that reflects the City's character and recognizes development constraints and hazards.

The City requests that SCAG consider the following challenges that face the City, as it considers proposed methodology options for the upcoming 6th RHNA cycle:

1) Very High Fire Severity Zone

Approximately 97% of the City of Rancho Palos Verdes is located within the Very High Fire Severity Zone, as classified through the California Department of Forestry and Fire Protection. Senate Bill 35 recognizes the hazards associated with such classifications by exempting mandatory density provisions for very high fire severity zone communities. The City requests that this designation weigh heavily on the methodology option selected for Rancho Palos Verdes.

2) Geologic Hazards

The Portuguese Bend Landslide Complex (PBLC), which is the largest fastest moving landslide in North America, is located along the south central section of the Palos Verdes Peninsula entirely within the City of Rancho Palos Verdes. The terminus of the active landslide complex, and generally the southwest boundary of the PBLC is the Pacific Ocean. The PBLC is divided into two parts with the main landslide having an area of about 190 acres and the other segment having an

area of about 70 acres. The PBLC moves at various rates and over the last several decades has resulted in significant infrastructure damage to homes, utilities, and roadways. The City has expended nearly 50 million dollars over the years repairing and maintaining the damage and addressing the overall technical and administrative issues associated with managing such a complex problem. As a result of geologic and geotechnical studies, the City prohibits the construction on vacant lots within the entire PBLC through with the establishment of a landslide moratorium area that has been codified since 1978.

3) Wildlife and Habitat Preservation

The City of Rancho Palos Verdes includes area of lands that are protected from development as a result of Federal and State programs. More specifically, the City has adopted a Natural Community Preservation Plan and Habitat Conservation Plan (NCCP/HCP or Plan). The Plan was prepared to maximize the benefits to wildlife and vegetation communities while accommodating appropriate economic development within the City. The City's primary conservation strategy is to dedicate 1,402.4 acres of habitat protection for the NCCP/HCP Preserve assembly. The dedication includes Existing Public Lands that are currently owned by the City (1,123.0 acres) and the Palos Verdes Peninsula Land Conservancy (PVPLC) (20.7 acres). The remainder of the Preserve is comprised of 258.7 acres of City owned land or land that will eventually be owned by the City which has been previously dedicated for conservation as mitigation for certain private projects and will be added to the Preserve. The City also includes the Abalone Cove, which contains a State-designated Ecological Preserve with important natural marine resources at the bottom of the Portuguese Bend landslide area.

The City's NCCP/HCP is unique to Los Angeles County, as it is the only such Plan in the County. It benefits the natural environment and protection of species, including listed endangered species, as well as passive recreational opportunities to the general public. The approximate 1,400 acres of undeveloped vacant open space that make up the Palos Verdes Nature Preserve is encumbered with conservation easements and deed restrictions that prohibit development in perpetuity which should be factored in the RHNA methodology applied to the City.

In addition to the large areas of the City dedicated to wildlife and vegetation communities, the City also is home to three federal facilities. These include the Point Vicente Lighthouse and Coast Guard Station (29 acres), the United States Air Force and Federal Aviation Administration Radar Station (11 acres) on San Pedro Hill, and a World War II bunker and Coast Guard antenna site (4 acres) at Point Vicente Park/Civic Center.

The City would like to thank the Chair and Committee in advance for considering the unique challenges and physical constraints that face Rancho Palos Verdes, and asks that such factors weigh heavily in considering the methodology for the upcoming 6th RHNA cycle.

If you should have any questions, or would like further assistance, please feel free to contact me at (310) 544-5227 or by email at aram@rpvca.gov.

Sincerely,



Ara Mihranian, ACIP
Director of Community Development

c: *Jerry Duhovic, Mayor, Rancho Palos Verdes*
Rancho Palos Verdes City Council
Doug Wilmore, City Manager
Octavio Silva, Senior Planner

SUBMITTED ELECTRONICALLY

September 9, 2019

Honorable Peggy Huang, Chair
Regional Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Blvd, Suite No. 1700
Los Angeles, CA 90017

SUBJECT: DRAFT REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) PROPOSED METHODOLOGY

Dear Chair Huang,

On August 20, 2019, the City of Rancho Palos Verdes submitted a comment letter regarding the proposed 6th cycle RHNA methodology options currently being considered by the Southern California Association of Governments (SCAG). The City's comment letter highlighted the unique challenges and physical constraints that face the City, such as being designated a Very High Fire Hazard Severity Zone, the presence of geologic hazards, and the preservation of sensitive wildlife and habitat. The comment letter urged the RHNA Subcommittee to consider such factors in selecting a RHNA methodology.

Since the issuance of the City's comment letter, the State's Housing and Community Development Department (HCD) issued a regional determination need of 1,344,740 total housing units for the SCAG region. Based on this figure and using SCAG's RHNA Methodologies Estimate Tool, the City of Rancho Palos Verdes would have a RHNA allocation of 1,852 housing units under Option 1, 2,390 housing units under Option 2, and 75 housing units under Option 3. Methodology Options 1 and 2 present a significantly higher RHNA allocation than what the City was assigned for the 5th RHNA cycle. These methodology options would pose an undue burden upon the City to accommodate for housing in the next Housing Element cycle without considering the unique physical challenges faced by the City.

The City would also like to bring attention to the need for housing with access to high-quality transit in order to meet the State's objectives to reduce greenhouse gas emissions and vehicle miles traveled. The City of Rancho Palos Verdes, along with its neighboring Palos Verdes Peninsula cities, are located in a region with very limited access to high-quality transit. In fact, the City recently learned that, due to the recent reduction in ridership, the LA Metro is considering eliminating Route 344, which serves Hawthorne Blvd., a major arterial for the Peninsula. With limited access to high-quality transit, combined with the consideration to eliminate Route 344, any new high-density housing required to be built in the City by the State will inevitably require residents to rely primarily upon private vehicles for transportation. Based on Options 1 and 2--and perhaps Option 3--the State-mandated housing units will result in a significant increase in vehicle miles traveled and greenhouse gas emissions, which is fundamentally counterproductive with the State's and Governor's objectives.

The City recommends that SCAG appeal HCD's regional determination need figure before deciding on a RHNA methodology option. The City also strongly urges SCAG to select RNHA Methodology Option 3, as

this option most appropriately utilizes local input amongst the three options, and provides the City with a RHNA allocation that the City can plan for in the upcoming Housing Element planning cycle.

If you should have any questions, or would like further assistance, please feel free to contact me at (310) 544-5227 or by email at aram@rpvca.gov.

Sincerely,



Ara Mihranian, ACIP
Director of Community Development

c: *Jerry Duhovic, Mayor, Rancho Palos Verdes
Rancho Palos Verdes City Council
Hon. Dan Medina, RC District # 28, GCCOG
Hon. James Gazeley, RC District # 39, SBCCOG
Hon. Judy Mitchell, RC District #40, SBCCOG
Jacki Bacharach, Executive Director of the SBCCOG
Doug Wilmore, City Manager
Kit Fox, Interim Deputy Director of Community Development
Octavio Silva, Senior Planner*

Regional Housing Needs Assessment Methodology Estimate Tool (Option No. 4)

SCAG 6TH CYCLE RHNA - DRAFT ALLOCATION METHODOLOGY			For complete descriptions of values below, see "metadata" tab or SCAG's draft RHNA methodology.	
2-Oct-19				
<p>What is this? This spreadsheet tool is designed to provide general estimates based on SCAG's staff-recommended draft RHNA allocation methodology. <i>Data and figures may be subject to corrections and intermediate steps may not sum due to rounding.</i></p> <p>Instructions: Select jurisdiction from drop-down menu. Green boxes will populate based on data in "RHNA_data" tab.</p> <p>Note: HCD provided its regional determination of 1,344,740 units on 8/22/19. HCD may revise this figure no later than mid-October after considering SCAG's objection, which would impact jurisdictional allocations. Additional details can be found in the narrative version of this methodology; see scag.ca.gov/rhna for details.</p>	Select Jurisdiction (drop-down menu)			
	Rancho Palos Verdes city			
	Total regional housing need	1,344,740		
	Rancho Palos Verdes city statistics:			<i>Regional Percentile:</i>
	Forecasted household (HH) growth, RHNA period:	23	6%	
	Percent of households who are renting:	20%	7%	
	Housing unit loss from demolition (2009-18):	-	0%	
	Adj. forecasted household growth, 2020-2045:*	94	-	
	Pct. of regional jobs accessible in 30 mins (2045):**	6.42%	36%	
	Share of region's job accessibility (pop-weighted):	0.10%	39%	
Percent of jurisdiction's pop. in HQTAs (2045):	7.26%	40%		
Share of region's HQTA population (2045)	0.03%	37%		
Share of pop. in low/very low-resource tracts:	0.00%	-		
Share of pop. in very high-resource tracts:	99.95%	-		
Proposed social equity adjustment:	180%	-		
*Local input/growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast (+4%)				
**For the jurisdiction's median TAZ				
			RHNA Allocation inputs for Rancho Palos Verdes city	
			Forecasted household (HH) growth, RHNA period:	23
			Vacancy Adjustment	1
			Replacement Need	-
			TOTAL PROJECTED NEED:	24
			Existing need due to future HH growth (50%)	36
			Existing need due to job accessibility (25%)	207
			Existing need due to HQTAs pop. share (25%)	64
			Net residual factor for existing need	-237
			TOTAL EXISTING NEED	70
			TOTAL RHNA FOR RANCHO PALOS VERDES CITY	94
			Very-low income (<50% of AMI)	37
			Low income (50-80% of AMI)	20
			Moderate income (80-120% of AMI)	18
			Above moderate income (>120% of AMI)	18
				Percent of total RHNA:
				39.7%
				21.7%
				19.6%
				19.0%