



Western Riverside Council of Governments Planning Directors Committee

AGENDA

**Thursday, September 12, 2019
9:30 a.m.**

**NOTE
START TIME**

**Western Riverside Council of Governments
Citrus Tower
3390 University Avenue, Suite 450
Riverside, CA 92501**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Planning Directors Committee meeting, please contact WRCOG at (951) 405-6703. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 450, Riverside, CA, 92501.

The Planning Directors Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER (H.P. Kang, Chair)**
- 2. SELF INTRODUCTIONS**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Planning Directors Committee regarding any items with the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. MINUTES

- A. Summary Minutes from the August 8, 2019, Planning Directors Committee Meeting are Available for Consideration. P. 1

Requested Action: 1. Approve Summary Minutes from the August 8, 2019, Planning Directors Committee meeting.

6. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

- A. WRCOG Committees and Agency Activities Update Christopher Gray P. 7

Requested Action: 1. Receive and file.

- B. State Housing Legislation Update Christopher Gray P. 17

Requested Action: 1. Receive and file.

7. REPORTS / DISCUSSION

- A. Subregional Climate Action Plan Activities Update Christopher Tzeng, WRCOG P. 21

Requested Action: 1. Receive and file.

- B. CityView360 Solutions for California State Senate Bill 2 Fady Garabet, Agile Software P. 25

Requested Action: 1. Receive and file.

- C. Senate Bill 2 Planning Grant Status Report Christopher Gray, WRCOG P. 27

Requested Action: 1. Receive and file.

- D. Regional Housing Needs Assessment Methodology Update Cynthia Mejia, WRCOG P. 29

Requested Action: 1. Direct staff to submit a comment letter to SCAG on behalf of the subregion regarding the RHNA process, the regional determination, and the three methodology options.

8. REPORT FROM THE DIRECTOR OF TRANSPORTATION & PLANNING Christopher Gray

9. ITEMS FOR FUTURE AGENDAS

Members

Members are invited to suggest additional items to be brought forward for discussion at future Planning Directors Committee meetings.

10. GENERAL ANNOUNCEMENTS

Members

Members are invited to announce items / activities which may be of general interest to the Planning Directors Committee.

- 11. NEXT MEETING:** **The next Planning Directors Committee meeting is scheduled for Thursday, October 10, 2019, at 9:00 a.m. at WRCOG's office located at 3390 University Avenue, Suite 450, Riverside.**

12. ADJOURNMENT

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1. CALL TO ORDER

The meeting of the Planning Directors Committee was called to order at 9:30 a.m. by Chair Keith Gardner, at the WRCOG Office, Citrus Conference Room.

2. SELF INTRODUCTIONS

Members present:

Christina Taylor, City of Beaumont (9:33 a.m. arrival)
Maryn Wells, City of Calimesa
Joanne Coletta, City of Corona
Tamara Campbell, City of Jurupa Valley (9:44 a.m. arrival)
Lisa Gordon, City of Menifee
Jeff Murphy, City of Murrieta
Kenneth Phung, City of Perris
Travis Randel, City of San Jacinto
Matt Bassi, City of Wildomar
Keith Gardner, County of Riverside (Chair)
Jeff Smith, March JPA
Kristin Warsinski, Riverside Transit Agency
Shane Helms, Morongo Band of Mission Indians

Staff present:

Christopher Gray, Director of Transportation & Planning
Casey Dailey, Director of Energy & Environmental Programs
Daniel Ramirez-Cornejo, Program Manager
Christopher Tzeng, Program Manager
Cynthia Mejia, Senior Analyst
Rachel Singer, Staff Analyst
Ivana Medina, Staff Analyst
Daniel Soltero, Staff Analyst
Suzy Nelson, Administrative Assistant
Hailey Henson, Intern
Natalie Ikhata, Intern

Guests present:

Shirley Medina, Riverside County Transportation Commission
Robert Flores, County of Riverside
Phayvanh Nanthavongduongsy, County of Riverside
Gary Hamrick, Cambridge Systematics
Mahmoud Ahmadi, Iteris
Andrea Howard, PlaceWorks
Erik Ruehr, VRPA Technologies
David Murray, City of Riverside

3. PLEDGE OF ALLEGIANCE

Chair Keith Gardner led members in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

5. SELECTION OF PLANNING DIRECTORS COMMITTEE CHAIR, VICE-CHAIR, AND 2ND VICE-CHAIR POSITIONS FOR FISCAL YEAR 2019/2020

Action: 1. *The Planning Directors Committee selected H.P. Kang, City of Hemet, as Chair; Jeff Murphy, City of Murrieta, as Vice-Chair; and Travis Randel, City of San Jacinto, as 2nd Vice-Chair positions for Fiscal Year 2019/2020.*

(County / Wildomar) 12 yes; 0 no; 0 abstention. Item 5 was approved. The Cities of Banning, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Moreno Valley, Norco, Riverside, and Temecula, and the Eastern Municipal Water District were not present.

6. MINUTES – *(County / San Jacinto) 11 yes; 0 no; 1 abstention. Item 6.A was approved. The Cities of Banning, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Moreno Valley, Norco, Riverside, and Temecula, and the Eastern Municipal Water District were not present. The City of Wildomar abstained.*

A. Summary Minutes from the June 13, 2019, Planning Directors Committee Meeting are Available for Consideration.

Action: 1. *Approved the Summary Minutes from the June 13, 2019, Planning Directors Committee meeting.*

7. CONSENT CALENDAR – *(Wildomar / County) 12 yes; 0 no; 0 abstentions. Item 7.A was approved. The Cities of Banning, Canyon Lake, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Moreno Valley, Norco, Perris, Riverside, and Temecula, and the Eastern Municipal Water District were not present.*

A. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

8. REPORTS / DISCUSSION

A. Residential Housing Definition

Daniel Ramirez-Cornejo reported that since the inception of the TUMF Program, there have been two definitions in the TUMF Administrative Plan that differentiate residential uses; one being single-family units and the other being multi-family units. As in most other land uses, staff has seen changes in characteristics and patterns of residential projects over the last decade or so.

Mr. Ramirez-Cornejo provided an overview of the definitions for Single-Family Residential Units and Multi-Family Residential Units, as well as recent changes that impact the definitions such as high density detached residential units. Currently, high density detached unit projects are eligible to pay TUMF at the lower multi-family rate if the number of units is greater than eight units per gross acre. Staff has reviewed additional documents including information developed by the Institute of Transportation Engineers which has a slightly different definition for each.

Staff provided examples of projects that have raised questions regarding the definitions, and how TUMF would be assessed. In each instance, staff has worked with the applicant and member agency to address questions. Projects can become more complex when both single-family and multi-family units are included. In these instances, staff has determined that TUMF will assess projects on a case-by-case basis. Mixed residential use developments have assessed TUMF similarly since the beginning of the Program.

Mr. Ramirez-Cornejo asked for any input or direction from the Committee on whether these definitions should be revised to accommodate the change in residential developments.

Christopher Gray also shared examples of how WRCOG deals with gross density; for example, distinguishing offsite dedications versus onsite parks and streets.

The Committee asked that staff compile a list of projects per jurisdiction regarding single- and multi-family units and report back in three to four months.

Action: 1. *Received and filed.*

B. State Housing Legislative Update

Andrea Howard presented an overview of legislative housing bills that have an impact in the subregion, specifically, two trailer bills that were introduced as part of the Governor's budget including Assembly Bill (AB) 101 and Senate Bill (SB) 102 - both of which were designed to increase housing production.

AB 101 works as an incentive and rewards "pro-housing" jurisdictions. The bill provides \$2.5 billion in funding to address housing and homelessness. SB 102, on the other hand, enacts a fine of between \$10k and \$600k a month and would apply to cities or counties that are non-compliant. AB 101 has passed both legislative houses and is pending approval by the Governor and SB 102 has passed the Senate and is being considered by the Assembly. It is expected that the Governor will pass both bills.

Other proposed legislation discussed included SB 5 (Beall), the Affordable Housing and Community Development Investment Program, which was designed to fill the affordable housing gap created by the dissolution of redevelopment agencies. This bill would establish a program that could authorize up to \$2 billion annually to jurisdictions and special districts in an effort to increase housing production.

AB 10 (Chiu), Income Taxes, would expand the Low Income Housing Tax Credit by an additional \$500 million per year from 2020 to 2024, including \$25 million earmarked for farmworker housing projects. AB 10 passed out of the Assembly and is currently being considered by the Senate.

Two other bills included SB 13 (Wieckowski), and AB 68 (Ting), which relate to Accessory Dwelling Units (ADUs). SB 13 limits fees and restrictions for building new ADUs. SB 13 passed out of Senate and is currently being considered by the Assembly. AB 68, similar to SB 13, would eliminate minimum lot size requirements for adding ADUs and requires proposed ADUs to be approved or denied within 60 days. AB 68 passed out of the Assembly and is being considered by the Senate.

Christopher Gray added that local governments should watch AB 516 (Chiu), which would eliminate the ability for cities and law enforcement agencies to adequately enforce state and local vehicle violations. AB 516 is currently at the Senate Appropriations Committee.

Action: 1. *Received and filed.*

C. Inland Empire Comprehensive Multimodal Corridor Plans

Gary Hamrick provided a background on the Inland Empire Comprehensive Multimodal Corridor Plans (CMCPs). Southern California Association of Governments (SCAG) is leading this project with help from the Riverside County Transportation Commission, WRCOG, and the San Bernardino County Transportation Authority (SBCTA). This project falls between Western Riverside and San Bernardino Counties. The purpose of this Study is to examine multimodal, East / West, and North / South Corridors with focus on both freeway and other modes of travel, as well as to help with the planning of SB-1 funding. The final CMCPs are expected to be completed by spring 2020, in time for Cycle 2 of the Solutions for Congested Corridors Program.

Action: 1. *Received and filed.*

D. Regional Streetlight Program Activities Update

Daniel Soltero provided a recap of all streetlight activities to date. The Cities of Eastvale, Hemet, Moreno Valley, Murrieta, and Wildomar are currently undergoing streetlight retrofits, and the remaining jurisdictions in the Program will begin their retrofits in the coming months. Staff has received mostly positive comments on the streetlight retrofit process throughout the jurisdictions.

WRCOG, through coordination with each member agency, avoided an LED price increase by purchasing fixtures prior to the increase deadline. The price increase was the result of federal tariffs imposed on Chinese imports.

Action: 1. *Received and filed.*

E. Regional Housing Needs Assessment Methodology Update

Cynthia Mejia shared an update on the Regional Housing Needs Assessment (RHNA) methodology options that have been released by the Southern California Association of Governments (SCAG). By way of background, each local jurisdiction in California is required to adopt a Housing Element as a part of its General Plan that shows how each City plans to meet its housing needs. SCAG is currently preparing for its 6th RHNA Cycle, which covers the planning period from October 2021 through October 2029.

Per state housing law, the RHNA distribution methodology must distribute existing and projected housing needs. Over the past several months, SCAG has engaged its RHNA Subcommittee to evaluate factors to consider in the RHNA methodology. Based on the Subcommittee's direction, SCAG staff has compiled three methodology options, which would distribute housing needs throughout the region. Ms. Mejia provided a brief overview of the three options and staff's perspective of each.

SCAG is currently soliciting input on the three methodologies and will be holding four public hearings in August. If any jurisdictions wish to submit comments, they should do so by the deadline of September 3rd. WRCOG will be collecting input from member agencies on whether WRCOG should take a position on behalf of the subregion. Those comments should be submitted to staff by August 23rd. SCAG staff will be reviewing all input on the three options and making a recommendation to its Regional Council for approval in October of this year.

Action: 1. *Received and filed.*

F. Planning Directors Committee Representatives

Christopher Gray reported that as a part of an annual update of Committee contact information, staff would like all Committee members to review and provide updates regarding voting representation. Each agency is encouraged to have at least one alternate. The designated representative need not be the agency's planning or community development director; it need only be a manager-level representative that is knowledgeable of regional planning issues and available to attend the Committee meetings on behalf of their jurisdiction.

Any revisions in agency representation should be submitted by the Technical Advisory Committee member to WRCOG staff via letter or email.

Action: 1. *Received and filed.*

9. REPORT FROM THE DIRECTOR OF TRANSPORTATION & PLANNING

There were no items for future agendas.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

11. GENERAL ANNOUNCEMENTS

Christopher Gray announced that the Cities of Hemet, Lake Elsinore, and San Jacinto, the Riverside Transit Agency, and the Riverside County Department of Public Health all received awards from the Inland Empire section of the American Planning Association.

12. NEXT MEETING: The next Planning Directors Committee meeting is scheduled for Thursday, September 12, 2019, at 9:00 a.m., at the WRCOG office located at 3390 University Avenue, Suite 450, Riverside.

13. ADJOURNMENT: The meeting of the Planning Directors Committee adjourned at 10:59 a.m.

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Western Riverside Council of Governments Planning Directors Committee

Staff Report

Subject: WRCOG Committees and Agency Activities Update

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcog.us, (951) 405-6710

Date: September 12, 2019

The purpose of this item is to provide updates on noteworthy actions and discussions held in recent standing Committee meetings, and to provide general project updates.

Requested Action:

1. Receive and file.

Attached are summary recaps of actions and activities from recent WRCOG standing Committee meetings that have taken place for meetings which have occurred during the month of August.

Prior Action:

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

1. Summary recaps from August Committee meetings.

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Item 6.A

WRCOG Committees and Agency
Activities Update

Attachment 1

Summary recaps from August
Committee meetings

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**Western Riverside Council of Governments
Executive Committee
Meeting Recap
August 5, 2019**

Following is a summary of key items discussed at the last Executive Committee meeting. To review the full agenda and staff reports for all items, please click [here](#). To review the meetings PowerPoint presentation, please click [here](#).

Professional Services Agreements (PSAs) Approved

- The Executive Committee approved amendment to a consulting contract for the continuation of planning support and advisory services for the Clean Cities Program.

TUMF Program Activities

- The Executive Committee approved a TUMF exemption for specially built homes that serve as transitional housing for homeless individuals or families.
- The Executive Committee approved a Reimbursement Agreement Amendment with the City of Moreno Valley for the Nason Street / SR-60 Interchange Project and the Moreno Beach Drive / SR-60 Interchange Project.
- The Executive Committee approved a Reimbursement Agreement with the City of Temecula for the Diaz Road (Western Bypass) Widening Project.

4th Quarter Budget Amendment Approved

- The Executive Committee approved a Fiscal Year 2018/2019 4th Quarter Budget amendment.
- Overall, there will be a net total agency increase in revenues of \$11,401,063 for the 4th Quarter of Fiscal Year 2018/2019.

Regional Water Supply Presentation Received

- Paul Jones, Eastern Municipal Water District General Manager, and Craig Miller, Western Municipal Water District General Manager, provided an update on the status of State and local water supply and projects.
- As of July 10, 2019, the State is out of long-term drought conditions due to the past rainy season. Locally, the Diamond Valley Reservoir, which predominantly serves the southern California area, is at 94% capacity.
- Local projects for both Eastern and Western Municipal Water Districts continue to diversify the water supply portfolio and increase system reliability.
- The Committee also received a presentation on Per- and Poly-fluoroalkyl Substances (PFAS), an emerging contaminant issue, which has recently received growing media attention due to potential adverse health implications. WMWD and EMWD are taking the necessary precautions to preserve the public health of communities served.

Regional Streetlight Program Presentation Received

- Streetlight retrofits have begun in a number of participating jurisdictions including the Cities of Eastvale, Moreno Valley, Murrieta, and Wildomar. The City of Murrieta will be the first participating agency to complete their streetlight retrofit.
- Since 2017, federal tariffs imposed have impacted General Electric and other lighting manufacturers, forcing them to increase pricing 6% - 10%. In response, WRCOG negotiated a price lock resulting in savings of approximately \$370,000 for participating jurisdictions.

PACE Updates Received

- The Executive Committee updated the PACE debt management policy to further outline debt issuance guidelines in accordance with the California Debt Investment Advisory Commission requirements.
- Since the inception of the Program, WRCOG has added Renew Financial, PACE Funding, Ygrene, Greenworks, CleanFund, and Twain as PACE Providers. The Executive Committee increased the maximum bond authorization from \$3 billion to \$3.7 billion to reflect the addition of new Providers.
- The Executive Committee approved an update to the HERO Residential Dealer Fee Program that will remove the 90-day interest rate lock in contractors must abide to. Instead, contractors will have flexibility to move through the interest rate bands on an individual project basis.

California Clean Air Day is October 2, 2019

- The Executive Committee adopted a resolution proclaiming October 2, 2019 a California Clean Air Day, which encourages communities to act and improve air quality.
- WRCOG is encouraging member agencies to pass similar resolutions to embrace California Clean Air Day. Jurisdictions that adopt a similar resolution will be provided resources to host a tree planting ceremony at the jurisdiction or a local park. Interested member agencies should reach out to WRCOG staff.

Next Meeting

The next Executive Committee meeting is scheduled for Monday, September 9, 2019, at 2:00 p.m., at the County of Riverside Administrative Center, 1st Floor Board Chambers.



**Western Riverside Council of Governments
Planning Directors Committee
Meeting Recap
August 8, 2019**

Following is a summary of key items discussed at the last Planning Directors Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Planning Directors Committee Leadership for FY 2019/2020 Selected

- Chair: H.P Kang, City of Hemet
- Vice-Chair: Jeff Murphy, City of Murrieta
- 2nd Vice-Chair: Travis Randel, City of San Jacinto

Residential Housing Definition for TUMF

- The TUMF Administrative Plan includes program guidelines and procedures, including a section that outlines the definitions of land uses for TUMF.
- Due to changing types of residential projects (i.e. mixed used development projects), WRCOG is asking for input on whether the definition of “single-family residential unit” and “multi-family residential unit” should be redefined in the TUMF Administrative Plan.
- WRCOG staff will monitor projects over the next three to four months and return to the Planning Directors Committee (PDC) with additional information to determine whether a change should be made to the TUMF Program definitions or if projects should be processed on a case-by-case basis.

State Housing Legislative Update

- Assembly Bill (AB) 101 and Senate Bill (SB) 102 are two trailer bills that were introduced as part of the Governor's budget and include:
 - Incentives: a state funding program for “pro housing” communities
 - Penalties: financial penalties for jurisdictions with non-compliant Housing Elements ranging from \$10,000 – \$600,000 monthly
- AB 101 has passed both houses of the State Legislature and is now pending approval by the Governor.
- SB102 has passed the Senate and is being reviewed by the Assembly.
- The 2019 Legislative Session ends on September 13, 2019.
- October 13, 2019, marks the last day for the Governor to sign or veto bills.

Inland Empire Comprehensive Multimodal Corridor Plans are Being Developed

- RCTC and SCBTA, in coordination with Caltrans and SCAG, are preparing two comprehensive Multimodal Corridor Plans that will span into Western Riverside and San Bernardino Counties and will include highway facilities and transit systems.
- The main purpose for the Corridor Plans is to meet requirements for funding programs, primarily the SB 1 Solutions for Congested Corridors Program (SCCP).
- Projects submitted for SCCP Cycle 2 funding must be included in a Multi-Modal Corridor Plan. The California Transportation Commission allows three types of projects:
 - To be an update to an existing multimodal plan
 - A hybrid plan
 - A new plan

Eastvale, Moreno Valley, Murrieta, and Wildomar are Retrofitting their LED Streetlights

- Streetlight retrofits have begun in several participating jurisdictions including the cities of Eastvale, Moreno Valley, Murrieta, and Wildomar. The City of Murrieta will be the first participating agency to complete their streetlight retrofit.
- The City of Hemet is projected to begin their streetlight retrofits in August 2019. Remaining jurisdictions (Lake Elsinore, Menifee, Perris, San Jacinto, Temecula and the Jurupa Valley Community Services District) are anticipated to start the retrofit process later this year.
- Since 2017, an increase in federal tariffs have impacted General Electric and other lighting manufacturers, forcing them to increase pricing 6% - 10%. In response to this, WRCOG has negotiated prices and locked-in lower rates for participating jurisdictions, saving them approximately \$370,000.

Regional Housing Needs Assessment (RHNA) Methodology Options Discussions are Occurring at SCAG

- Each local jurisdiction in California is required to adopt a Housing Element as part of its General Plan that shows how the community plans to meet its existing and projected housing needs for people at all income levels within their jurisdiction.
- RHNA is the state-mandated process to identify the total number of regional housing units needed, and SCAG is the entity assigned with drafting a methodology to distribute the regional need. In preparation for the 6th RHNA Cycle, SCAG staff has drafted three prospective methodologies to distribute housing need.
- SCAG is currently soliciting input on the three methodologies and will be holding four public hearings in August. The public hearing in the Inland Empire will be held at the San Bernardino County Transportation Authority office on Tuesday, August 27, 2019 at 6:00 p.m.
- WRCOG is currently evaluating whether it should submit a comment letter to SCAG regarding the RHNA methodology. If WRCOG prepares a comment letter, it will need to be submitted to SCAG by the first week of September. We ask that any agency that wishes to provide input to WRCOG do so by August 23rd so that WRCOG may incorporate these comments into our letter.

Planning Directors Committee Representative Update

- As part of an annual update, staff would like PDC members to review and provide updates to voting representatives from each member agency.
- Staff would like to note that the designated PDC representative does not have to be the jurisdiction's Community Development Director or Planning Director. Staff encourages each agency to have at least one alternate representative.
- Any updates or changes to designated representatives can be sent to Janis Leonard, WRCOG Administrative Services Manager, at jleonard@wrcog.us.

Next Meeting

The next Planning Directors Committee meeting is scheduled for Thursday, September 12, 2019, at 9:00 a.m. at WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



**Western Riverside Council of Governments
Public Works Committee
Meeting Recap
August 8, 2019**

Following is a summary of key items discussed at the last Public Works Committee meeting. To review the full agenda and staff reports, please click [here](#). To review the meeting PowerPoint presentation, please click [here](#).

Public Works Committee Leadership for FY 19-20 Selected

- Chair: Kristen Jensen, City of Hemet
- Vice-Chair: Bob Moehling, City of Murrieta
- 2nd Vice-Chair: Brad Brophy, City of San Jacinto

Eastvale, Moreno Valley Murrieta, and Wildomar are Retrofitting Their LED Streetlights

- Streetlight retrofits have begun in several participating jurisdictions including the cities of Eastvale, Moreno Valley, Murrieta, and Wildomar. The City of Murrieta will be the first participating agency to complete their streetlight retrofit.
- The City of Hemet is projected to begin their streetlight retrofits in August 2019. Remaining jurisdictions (Lake Elsinore, Menifee, Perris, San Jacinto, Temecula and the Jurupa Valley Community Services District) are anticipated to start the retrofit process later this year.
- Since 2017, an increase in federal tariffs have impacted General Electric and other lighting manufacturers, forcing them to increase pricing 6% - 10%. In response to this, WRCOG has negotiated prices and locked-in lower rates for participating jurisdictions, saving them approximately \$370,000.

Residential Housing is Defined for TUMF

- The TUMF Administrative Plan includes program guidelines and procedures, including a section that outlines the definitions of land uses for TUMF.
- Due to changing types of residential projects (i.e. mixed used development projects), WRCOG is asking for input on whether the definition of "single-family residential unit" and "multi-family residential unit" should be redefined in the TUMF Administrative Plan.
- The Public Works Committee suggested that the definitions currently in place for residential housing developments remain the same.

Inland Empire Comprehensive Multimodal Corridor Plans are Being Developed

- RCTC and SCBTA, in coordination with Caltrans and SCAG, are preparing two comprehensive Multimodal Corridor Plans that will span into Western Riverside and San Bernardino Counties and will include highway facilities and transit systems.
- The main purpose for the Corridor Plans is to meet requirements for funding programs, primarily the SB 1 Solutions for Congested Corridors Program (SCCP).
- Projects submitted for SCCP Cycle 2 funding must be included in a multi-modal corridor plan. The California Transportation Commission has allowed for three types of projects:
 - To be an update to an existing multimodal plan
 - A hybrid plan
 - A new plan

- Potential improvements include transit, active transportation, operational improvements as well as improvements to local arterials.

Directors Comments

There will be a workshop on September 12, 2019 with SCAG and other presenters on streamlined electric vehicle permitting, based on new state requirements. The workshop will start at 11 AM and then conclude by 12:30 PM. Lunch will be served.

Next Meeting

The next Public Works Committee meeting is scheduled for Thursday, September 12, 2019, at 1:00 p.m., in WRCOG's office, located at 3390 University Avenue, Suite 450, Riverside.



Western Riverside Council of Governments Planning Directors Committee

Staff Report

Subject: State Housing Legislation Update

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcog.us, (951) 405-6710

Date: September 12, 2019

The purpose of this item is to provide an introduction and/or update on a selection of proposed State legislation pertaining to housing.

Requested Action:

1. Receive and file.
-

Following is a summary of proposed legislation under consideration in the State legislature. Bills and measures are organized into seven categories: Funding, Accessory Dwelling Units, Ballot Measures, Housing Development Approvals, Data and Reporting, Upzoning, and Public Land. When available, there is an indication of the League of California Cities' position on the bill.

Funding

SB 5 (Beall) Affordable Housing and Community Development Investment Program

Designed to fill in the affordable housing gap created by the dissolution of redevelopment agencies (RDAs), SB 5 would establish the Affordable Housing and Community Development Investment Program, which would be authorized to provide up to \$2 billion annually to jurisdictions and special districts to support housing production through an application program. Eligible projects would include:

- Housing development plans proposing workforce and affordable housing;
- Transit-oriented development in priority locations;
- Infill development by rehabilitating, maintaining and improving existing infrastructure; and
- Promoting strong neighborhoods through community engagement efforts to revitalize and restore neighborhoods.

Similar to RDAs, SB 5 would create a state approval mechanism to access tax growth off of the school share for local projects that match State priorities.

SB 5 passed out of the Senate and is currently being reviewed by the Assembly Appropriations Committee.

League Position: Support

AB 857 (Chiu and Santiago) Public banks

AB 857 would allow jurisdictions to create public banks to provide loans for affordable housing and other public infrastructure. The bill would authorize a county to lend its available funds to a public bank and a local agency to deposit funds and invest in a public bank, subject to certain requirements.

AB 857 passed out of the Assembly and is being considered by the Senate Appropriations Committee.

AB 10 (Chiu) Income taxes: credits low-income housing: farmworker housing

AB 10 would expand the Low Income Housing Tax Credit funding program by an additional \$500 million per year from 2020 to 2024, including \$25 million earmarked for farmworker housing projects.

AB 10 passed out of the Assembly and is being considered by the Senate.

AB 101 / SB 102 (Committee on Budget) Housing development and financing

AB 101 and SB 102 would do the following with the intent of increasing housing production:

- Provide \$2.5 billion in funding to address California's housing and homelessness crisis;
- Establish incentives to encourage cities and counties to increase housing production;
- Establish a process for a court to determine that a city or county has complied with housing element law;
- Impose penalties, as a last resort, if cities or counties disregard the direction of a court and continue not to fulfill their responsibilities under housing element law; and
- Beginning on July 1, 2021, jurisdictions with compliant housing elements would be awarded additional points in the scoring applications for housing and infrastructure programs.

AB 101 was signed by the Governor and Chaptered by Secretary of State on July 31, 2019. SB 102 is currently being reviewed by the Assembly.

Accessory Dwelling Units (ADUs)

SB 13 (Wieckowski) Accessory dwelling units

SB 13 limits fees and restrictions on building new ADUs. The bill's provisions include the following:

- ADUs created by converting a garage would not be required to have replacement parking;
- Jurisdictions would not be allowed to impose a minimum square footage requirement or maximum square footage requirement of less than 850 square feet;
- Regardless of whether a jurisdiction has adopted a local ordinance, upon submission of a completed application, jurisdictions would be required to review and approve applications within 60 days; and
- No agency could impose an impact fee that exceeds specified requirements depending on the size of the unit.

SB 13 passed out of the Senate and is currently being considered by the Assembly Appropriations Committee.

AB 68 (Ting) Land use: accessory dwelling units

Similar to SB 13, AB 68 would eliminate minimum lot size requirements for adding an ADU and require proposed ADUs to be approved or denied within 60 days.

AB 68 passed out of the Assembly and is being considered by the Senate Appropriations Committee.

Ballot Measures

Senate Constitutional Amendment (SCA) 1 (Allen and Wiener) Public housing projects

Currently, local jurisdictions must pass a ballot measure to approve development, construction, or acquisition of a low-rent housing project. SCA 1 would eliminate that requirement.

The Constitutional Amendment is being evaluated by the Senate Appropriations Committee and if approved, would go for voter approval.

[Assembly Constitutional Amendment \(ACA\) 1](#) (Aguilar-Curry) Local government financing: affordable housing and public infrastructure: voter approval

ACA 1 would allow bonds for housing and infrastructure to pass with a 55% majority, replacing existing law which requires a two-thirds majority.

ACA 1 is currently under consideration in the Assembly. As a constitutional amendment, this would go to the ballot for voter approval.

League Position: Support

Housing Development Approvals

[SB 330](#) (Skinner) Housing Crisis Act of 2019

The Housing Crisis Act would require a local agency that proposes to disapprove a housing development project that complies with applicable, objective, general plan, and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the local agency to that effect. The Act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least \$10,000 per housing unit in the housing development project on the date the application was deemed complete. This bill would, until January 1, 2030, specify that an application is deemed complete for these purposes if a complete initial application was submitted, as specified.

SB 330 has passed the Senate and is currently being considered in the Assembly Appropriations Committee.

League Position: Oppose

Data and Reporting

[AB 1483](#) (Grayson) Housing data: collection and reporting

AB 1483 would require additional information regarding housing development projects located within the jurisdiction to be provided by local jurisdictions in annual progress reports (APRs) to the California Department of Housing and Community Development (HCD). HCD would then use that information to create a GIS-enabled housing production database featuring all land in the state. The bill includes a provision for HCD to provide technical assistance, upon request, to a jurisdiction by providing the required information. The bill would also require jurisdictions to maintain a current fee schedule of all fees applicable to a proposed housing development as well as an up-to-date record of all zoning ordinances and development standards on its website.

AB 1483 passed in the Assembly and is being considered by the Senate Appropriations Committee.

[AB 1484](#) (Grayson) Mitigation Fee Act: Housing developments

AB 1484 would require jurisdictions to post the type and amount of each fee imposed on a housing development project to its website.

AB 1484 passed out of the Assembly and is currently being considered by the Senate.

Upzoning

[AB 1763](#) (Chiu D) Planning and Zoning: Density Bonuses: Affordable Housing

AB 1763 would require a density bonus to be provided to a developer who agrees to construct a housing development in which 100% of the total units, exclusive of managers' units, are for lower income households,

as defined. The bill would also require that a housing development that meets this criteria receive four incentives or concessions under the Density Bonus Law.

AB 1763 passed the Assembly and is being considered by the Senate.

League Position: Oppose Unless Amended

AB 1279 (Bloom) Planning and Zoning: Housing Development: High-Resource Areas

AB 1279 would require HCD to designate areas in the state as high-resource areas by January 1, 2021. In any area designated as a high-resource area, the bill would require that a housing development project be a use by right, upon the request of a developer who's projects meet specified requirements, including specified affordability requirements. For certain development projects where the initial sales price or initial rent exceeds the affordable housing cost or affordable rent to households with incomes equal to or less than 100% of the area median income, the bill would require the applicant to pay an amount linked to the disparity between the sale/rent price and an affordable rate to be deposited into a separate fund reserved for the construction or preservation of affordable housing.

AB 1279 passed the Assembly and is being considered by the Senate.

Public Land

AB 1486 (Ting) Surplus Land

AB 1486 would amend existing law, which governs the "disposal of surplus land by a local agency." The bill would expand the definition of "local agency" to include, among others, special districts, joint powers authorities, and redevelopment successor agencies. The bill would require that a local agency notify HCD, among others, of an intent to dispose of land, and that HCD would maintain a listing of all land availability. The bill would prohibit any sale negotiations from disallowing residential use of the site as a condition of sale. Surplus public land for affordable housing.

AB 1486 passed the Assembly and is being considered by the Senate Appropriations Committee.

Legislative Timeline Overview

- The 2019 Legislative Session ends on September 13, 2019
- October 13, 2019, marks the last day for the Governor to sign or veto bills

Prior Actions:

August 8, 2019: The Planning Directors Committee received and filed.

June 13, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments

Planning Directors Committee

Staff Report

Subject: Subregional Climate Action Plan Activities Update

Contact: Christopher Tzeng, Program Manager, ctzeng@wrcog.us, (951) 405-6711

Date: September 12, 2019

The purpose of this item is for the project team to provide an introduction to the Climate Action Plan (CAP) Update, conduct an exercise to better understand opportunities and challenges to climate action work, and the potential to develop a Program Environmental Impact Report (PEIR) for the CAP.

Requested Action:

1. Receive and file.

Background

WRCOG submitted an application to receive grant funding through the Caltrans Sustainable Transportation Planning Grant Program in order to prepare an update and expansion to WRCOG's Subregional Climate Action Plan (CAP), branded CAP Update, to include all 18 WRCOG member cities and all unincorporated areas of Riverside County. The grant funding will cover the most costly transportation and land use components of the CAP Update; the water, waste, and energy components will be paid for separately. The project team will provide an introduction at the September Planning Directors Committee meeting and a summary of the project's primary objectives and milestone deliverables, and describe how the project will enhance the ability of WRCOG member agencies to stay abreast of evolving state and regional policy developments, and develop climate action plans that are relevant to local community interests and planning priorities. The project has commenced and will be completed by February 2021.

Components of CAP Update: WRCOG Subregional Climate Action Plan Update

The CAP Update includes a comprehensive update to greenhouse gas (GHG) inventories and GHG emissions reduction strategies for all sectors; establish GHG targets for the year 2050; and will involve each of WRCOG's member jurisdictions, including those with locally developed CAPs, incorporating local CAP strategies to yield a truly comprehensive subregional CAP. As a result, the CAP Update will be better equipped to capture the subregion's progress in meeting state-wide reduction targets and assist all member jurisdictions with implementation and monitoring. The specific components of the CAP Update are described in further detail below:

1. GHG inventories updates and forecast preparation: Review and update baseline inventories included in the CAP Update and/or local CAPs. These consolidated existing inventories will be used to measure progress towards goals of the original CAP, which may influence various aspects of the CAP Update, including specific measures and strategies included, based on areas of greatest need.
2. Establish long-term GHG emissions reduction targets: The adopted Subregional CAP establishes a GHG emissions reduction target of 15% below 2010 levels by the year 2020, consistent with guidance from the Assembly Bill 32 Scoping Plan and the Governor's Office of Planning and Research. The CAP Update will

establish long-term GHG emissions reduction targets for the years 2030 and 2050, which will help ensure that the updated Subregional CAP is consistent with Senate Bill 32 and the Target 2030 Scoping Plan Update.

3. Revise and update CAP measures: Through the adopted Subregional CAP, substantial work has been completed with respect to identifying, evaluating, and quantifying GHG emissions reduction measures appropriate for each jurisdiction – including quantifying the impact of state mandates and regional programs, such as WRCOG’s Transportation Uniform Mitigation Fee Program. Leveraging the work already completed, the project team will identify lessons learned regarding previously implemented measures to update measures appropriate for meeting all post-2020 targets.
4. Update monitoring tool: A GHG emissions monitoring tool was developed for the WRCOG Subregional CAP to track WRCOG CAP implementation. The project team will update the monitoring tool so that it remains compatible with the Subregional CAP and streamlines CAP monitoring for WRCOG and member jurisdictions. By allowing specific tasks to be checked off once each phase of the CAP is completed, jurisdictions will be able to save time reviewing reports, tracking data manually, and verifying that measures are fully completed.
5. Update Subregional CAP document: The project team will update the existing Subregional CAP document to incorporate all new material and analyses. Several communities in the WRCOG subregion have adopted stand-alone CAPs, some predate the Subregional CAP, and others were prepared after the Subregional CAP was adopted in 2014. The project team will ensure that the updated Subregional CAP will continue to meet the needs of the subregion and be fully capable of serving as the primary GHG emissions reduction strategy for each participating community. At the same time, the project team will design the updated Subregional CAP so that the data and other information it presents can be pulled out and placed in an individual jurisdiction’s CAP document if needed.

Survey Exercise

During the September meeting, the consultant will introduce a 15 minute survey exercise for Committee members to complete. The survey exercise will provide a series of questions to assess experiences with CAP 1.0 (and other related climate work), gauge level of interest in CAP Update, and identify strategies for communicating with member jurisdictions. The goal of the survey is to better understand potential opportunities for and challenges to climate action work across Western Riverside County.

CAP Update PEIR

Members of this Committee have expressed interest in developing a PEIR, which could help reduce the burden of complying with the California Environmental Quality Act (CEQA) when implementing CAP-related measures. As funding for a PEIR has not been identified, staff will continue to explore funding options for a PEIR and revisit the option as the CAP Update progresses. It should be noted that grant opportunities rarely support environmental analyses, so a PEIR would likely require WRCOG’s leadership to direct Agency funds to the PEIR and/or financial contributions from interested member jurisdictions.

To provide streamlining of environmental review for future projects under a qualified GHG emissions reduction plan, the CAP Update must include community-wide targets consistent with statewide goals under SB-32 and be evaluated pursuant to CEQA. The appropriate CEQA document may vary from an Addendum to a prior EIR, a Negative Declaration, or Focused EIR – the choice of which will be city-specific. The consultant will discuss the benefits and challenges of the various approaches including complexity, schedule, and range of costs.

Prior Action:

May 9, 2019: The Planning Directors Committee recommended that the Executive Committee authorize the Executive Director to execute a Professional Services Agreement between

WRCOG and Environmental Science Associates to update WRCOG's Subregional Climate Action Plan.

Fiscal Impact:

The total contract amount with ESA of \$362,423 has two funding sources. Caltrans grant funding will offset \$267,474 for the contract with ESA and WRCOG will match funds and support other CAP related activities in the amount of \$94,949, which will be funded through WRCOG's Local Transportation Funds (LTF) over this and the next two Fiscal Years (FY 2019/2020, 2020/2021, and 2021/2022). No funding has been identified for a PEIR at this time.

Attachment:

None.

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Western Riverside Council of Governments Planning Directors Committee

Staff Report

Subject: CityView360 Solutions for California State Senate Bill 2

Contact: Fady Garabet, General Manager, Agiline Software, fady@agiline.com

Date: September 12, 2019

The purpose of this item is to provide a presentation on Agiline Software capabilities that are available for use in managing Senate Bill (SB) 2 applications.

Requested Action:

1. Receive and file.

Fady Garabet, Agiline Software General Manager, will be presenting CityView360, an Agiline process improvement tool. Ms. Garabet will focus the presentation on uncovering gaps in the current processes, accelerating the production of analytical reports, and scorecards while increasing the flow of information. Ms. Garabet will also outline California Senate Bill 2 and the process of obtaining funding to accelerate housing planning, production, and approvals.

Prior Action:

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

None.

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Western Riverside Council of Governments

Planning Directors Committee

Staff Report

Subject: Senate Bill 2 Planning Grant Status Report

Contact: Christopher Gray, Director of Transportation & Planning, cgray@wrcog.us, (951) 405-6710

Date: September 12, 2019

The purpose of this item is to provide an update on the Senate Bill (SB) 2 Planning Grant process. WRCOG will be asking its member agencies to provide a brief status report on their applications and determine if any of the member agencies require assistance in developing an application.

Requested Action:

1. Receive and file.

The principal goal of the SB 2 Planning Grant program is to make funding available to all local governments in California for the preparation, adoption and implementation of plans that streamline housing approvals and accelerate housing production. It is meant to facilitate planning activities that will foster an adequate supply of homes affordable to Californians at all income levels. It is designed to help local governments meet the challenges of preparing and adopting land use plans and integrating strategies to promote housing development. The [application](#) for the SB 2 Planning Grant has been released.

Program Details

Eligible Activities under SB 2 include:

- Updates to General Plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans
- Updates to zoning ordinances
- Environmental analyses that eliminate the need for project-specific review
- Local process improvements that improve and expedite local planning

Allocations are based on population:

- \$500,000 for large localities (greater than 200,000 people)
- \$250,000 for medium localities (60,000 to 200,000 people)
- \$125,000 for small localities (less than 60,000 people)

WRCOG will be asking its member agencies to share the following information:

- Which of our agencies have submitted their applications?
- Have those applications been approved?
- Are there any agencies which are currently preparing applications? If so, do they require assistance?
- Are there any other issues as it relates to the application process?
- Is there any additional information WRCOG can provide?

Prior Action:

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment:

None.



Western Riverside Council of Governments

Planning Directors Committee

Staff Report

Subject: Regional Housing Needs Assessment Methodology Update

Contact: Cynthia Mejia, Senior Analyst, cmejia@wrcog.us, (951) 405-6752

Date: September 12, 2019

The purpose of this item is to provide an update on the Regional Housing Needs Assessment (RHNA) Cycle 6 process occurring at the Southern California Association of Governments (SCAG).

Requested Action:

1. Direct staff to submit a comment letter to SCAG on behalf of the subregion regarding the RHNA process, the regional determination, and the three methodology options.

Background

The state-wide housing crisis is creating challenges locally in housing the subregion's growing population, complying with changing legislation, meeting RHNA targets, and avoiding growing risks that might come with findings of non-compliance. New bills are anticipated to continue to emerge in a variety of areas aimed at increasing housing production throughout California. In response to this, WRCOG's 2019/2020 Legislative Platform established Housing as a Priority Issue Area, recognizing the acute impact of the state-wide housing shortage and housing-related legislative activity to the WRCOG subregion. For this Priority Issue Area, WRCOG committed, to the extent possible, to having staff lead more targeted efforts, including engaging state agency staff in solutions-oriented discussions regarding the housing crisis and related activities. One of the leading topics in housing-related issues is RHNA.

Each local jurisdiction in California is required to adopt a Housing Element as part of its General Plan that shows how the community plans to meet the existing and projected housing needs of people at all income levels. RHNA is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its Housing Element. As part of this process, the California Department of Housing and Community Development (HCD) and SCAG identify the total housing need for the SCAG region. California's Housing Element Law ([Government Code](#), Section [65584.04](#)) charges SCAG with developing a "methodology to distribute the identified housing need to local governments in a manner that is consistent with the development pattern included in the Sustainable Communities Strategy (SCS)."

SCAG is currently preparing for its 6th RHNA Cycle, which will cover the planning period of October 2021 through October 2029. Between February and June 2019, SCAG staff presented to its RHNA Subcommittee on different factors that could be used to develop a proposed RHNA methodology. Based on the feedback received from the Subcommittee members and public comment, SCAG staff has developed three options for consideration. At its July 22, 2019, meeting, the SCAG RHNA Subcommittee recommended that the SCAG Community, Economic & Human Development Committee (CEHD) approve to release the three RHNA methodology options for public review and comment. In August, SCAG held four public hearings to obtain input from stakeholders on the methodologies. The deadline to submit comments is September 13, 2019.

RHNA Methodology Options

Per State housing law, the RHNA distribution methodology must distribute existing and projected housing needs to all jurisdictions. The following section provides information on the three options for distributing existing and projected needs to jurisdictions from the regional RHNA determinations provided by the California Department of Housing and Community Development (HCD).

Option 1 separates existing need and projected need from the regional determination and uses different mechanisms to assign need to jurisdictions. Seventy percent of existing need is assigned to jurisdictions based on regional population share and 20% is assigned to jurisdictions based on its share of regional population within the high-quality transit areas (HQTAs), which is used as a proxy for proximity to transit. The remaining 10% of existing need is assigned to jurisdictions based on its share of expected residential building permit activity. After adjusting for social equity using a 110% adjustment, existing housing need is assigned to only very low, low, and moderate-income categories. For projected need, household growth based on local input is used as the main factor and then a 150% social equity adjustment is applied. To determine a draft total RHNA allocation, existing need and projected need are combined.

Existing need consists of overcrowding, cost-burden, current vacancy rates below fair market rates, and any other components that are included in the regional determination provided by HCD or are not otherwise related to projected need as described above.

Option 2 does not separate existing need and projected need. Instead, 80% of the regional need as determined by HCD is assigned based on regional population share and 20% is assigned based on a jurisdiction's share of regional population within an HQTAs. A social equity adjustment is then applied.

Option 3 considers local input as the main factor for RHNA distribution. However, this option is based on a jurisdiction's share of population growth. Moreover, the horizon year used to determine a jurisdiction's share is selected based on the total household growth from that time period that most closely aligns with the regional determination provided by HCD. In addition, future vacancy needs by owner and renter, along with replacement need share, are added to the jurisdiction's share of regional need to determine its total housing need. Once total housing need is calculated, a 150% social equity adjustment is used to determine the four income categories.

In terms of the three Options, staff's perspective is as follows:

- Option 3 is most likely the current approach used in past cycles with several adjustments. For example, the social equity adjustment is likely to lead to additional allocations beyond what a jurisdiction might have received in previous RHNA cycles.
- Option 2 represents a more top-down approach in which an allocation is made by SCAG based on the regional population share rather than local input.
- Option 1 is a significant departure from how RHNA allocations have been done in previous years and introduces several complexities into the process, taking into account factors like current vacancy rates, recent building activity, and other factors. Option 1 is likely to lead to additional allocations beyond what a jurisdiction might have received in the low and very low income category levels received in previous RHNA cycles.

Following the public comment period, SCAG staff will review all comments received and make a proposal to its RHNA Subcommittee to recommend one distribution methodology as a "draft RHNA methodology" at a special meeting, tentatively scheduled for September 23, 2019. The recommendation from the RHNA Subcommittee will be further reviewed and considered for approval by SCAG's CEHD Committee at a specially scheduled meeting in late September 2019 and thereafter, by SCAG's Regional Council in October 2019.

RHNA Regional Determination

The HCD has given SCAG a regional determination number of 1,344,740. SCAG staff had estimated that the regional determination might be up to 800,000 units based on previous cycles. However, through the consultation process with SCAG and in evaluating numbers provided by the State's Department of Finance, that regional determination nearly doubled. Because of this change, the number of housing units allocated to jurisdictions within the SCAG region will increase substantially, posing significant concerns to WRCOG member agencies. SCAG has the ability to appeal the HCE allocation, but as of this writing it has not been determined if SCAG will pursue such a course of action.

WRCOG Actions

In addition to the August Planning Directors Committee presentation, staff has shared an update with the Executive Committee. Staff has also collected input on member agencies' RHNA methodology preferences and provided allocation projections for each of its member agencies to see which options better align with the subregion's goals. Based on the input received and the allocation numbers that staff have compiled, staff intends to submit a comment letter to SCAG with feedback on the RHNA process, the regional determination amount, and the methodology options.

Prior Action:

August 8, 2019: The Planning Directors Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachments:

1. SCAG RHNA Methodology Options.
2. Presentation slides from SCAG RHNA Subcommittee meeting of July 22, 2019.
3. 6th Cycle SCAG HCD Determination Letter.

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Item 7.D

Regional Housing Needs
Assessment Methodology Update

Attachment 1

SCAG RHNA Methodology Options

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Option 1 vs. Option 2 vs. Option 3: A Comparison

The three proposed RHNA methodology options offer different mechanisms to determine a jurisdiction's draft RHNA allocation from the regional total.

	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTAs from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Option 1 allows for a higher degree of variability than Option 2 since it relies on both pre-determined characteristics (such as HQTAs) and on local input, which can vary by jurisdiction and does not necessarily rely on pre-determined characteristics. Proponents of Option 1 may argue that its distribution mechanism allows for local conditions as reported by jurisdictions while still accommodating a need for linkage to regional transportation and land use planning. Option 1 also assigns existing need to lower income categories, which can meet the existing need factor of cost-burden specifically for low income households.

Option 2 does not differentiate between existing and projected need in its distribution mechanism and creates a stronger link to regional transportation and land use planning by applying proximity to transit as a factor to the total need distribution. While local input is not a component, some proponents of Option 2 may argue that because local input may not inherently consider regional goals might be a reason to exclude it as a main factor in RHNA methodology.

Option 3 uses local input as the basis for determining a jurisdiction's share of regional growth. While Option 1 considers share of household growth as a factor for projected need, Option 3 considers population growth as a factor for total RHNA need. Except for household income distribution for social equity adjustment, this option does not use other factors beyond local input on growth, such as transit proximity, to determine a jurisdiction's housing need.

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Item 7.D

Regional Housing Needs
Assessment Methodology Update

Attachment 2

Presentation slides from SCAG
RHNA Subcommittee meeting of July
22, 2019

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6th Cycle Proposed RHNA Methodology

Ma'Ayn Johnson, AICP
Compliance and Performance
Monitoring

RHNA Milestones and Outlook

	Subcommittee Completion	
RHNA Subcommittee Charter	October 2018	✓
Regional determination	June 2019	✓
Proposed RHNA Methodology for public comment period	July 2019	
Draft RHNA Methodology for HCD review	October 2019	
Draft RHNA allocation	February 2020	
RHNA appeals hearings	July 2020	
Final RHNA allocation	August 2020	

Objectives of RHNA

- 1) To increase the housing supply and mix of housing types, tenure and affordability within each region in an equitable manner
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns



Objectives of RHNA

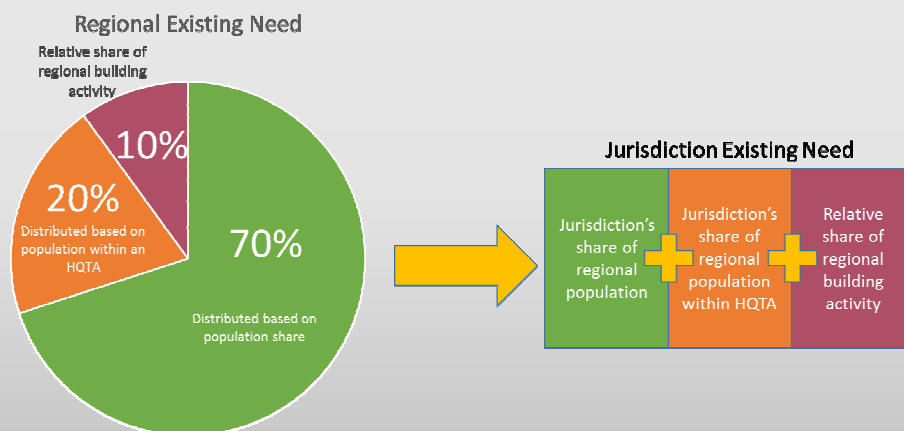
- 3) Promoting an improved intraregional relationship between jobs and housing
- 4) Allocating a lower proportion of housing need in income categories in jurisdictions that have a disproportionately high share in comparison to the county distribution
- 5) Affirmatively furthering fair housing



Proposed RHNA Methodology: Options

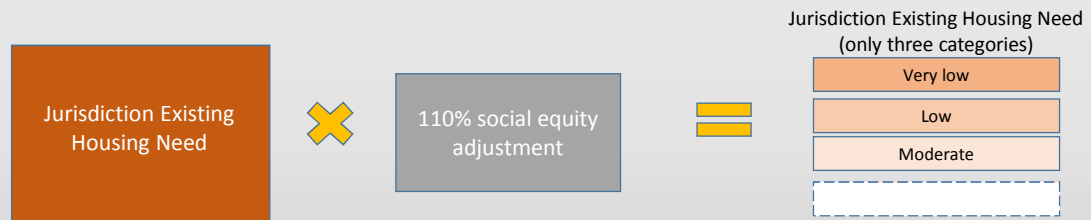
- Three options developed based on feedback from RHNA Subcommittee and stakeholders
- Each option applies different components
- Recommendation to release for public comment period
- One option will be recommended in late September 2019 for submittal to HCD

Option 1 Step 1 Determining Existing Need



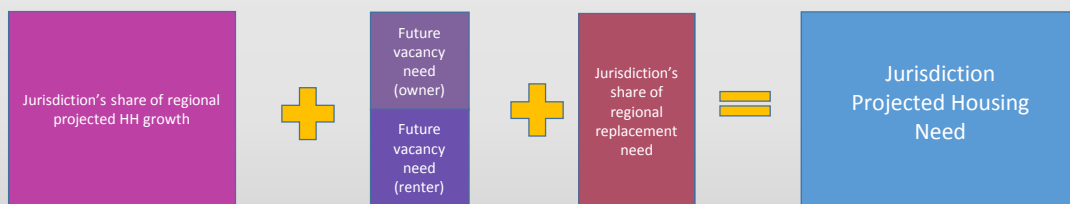
Option 1

Step 1: Determining Existing Need



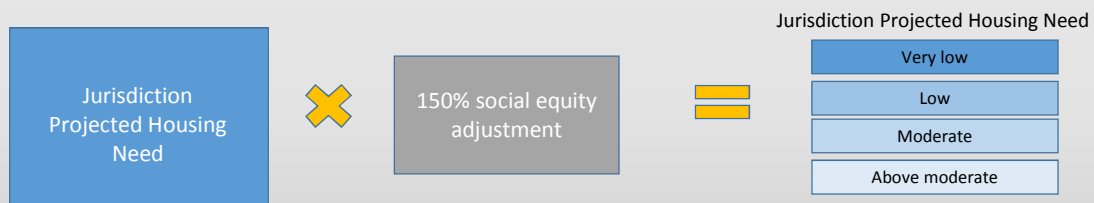
Option 1

Step 2: Determining Projected Housing Need



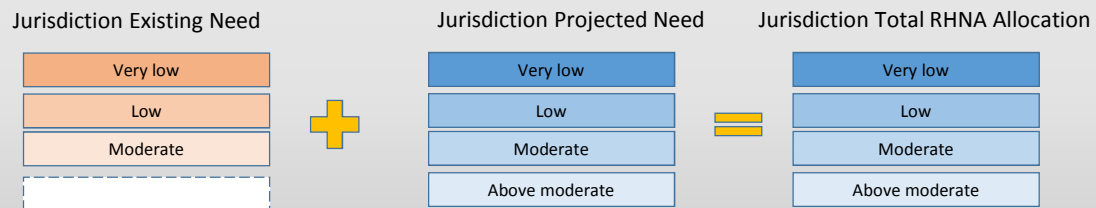
Option 1

Step 2: Determining Projected Housing Need

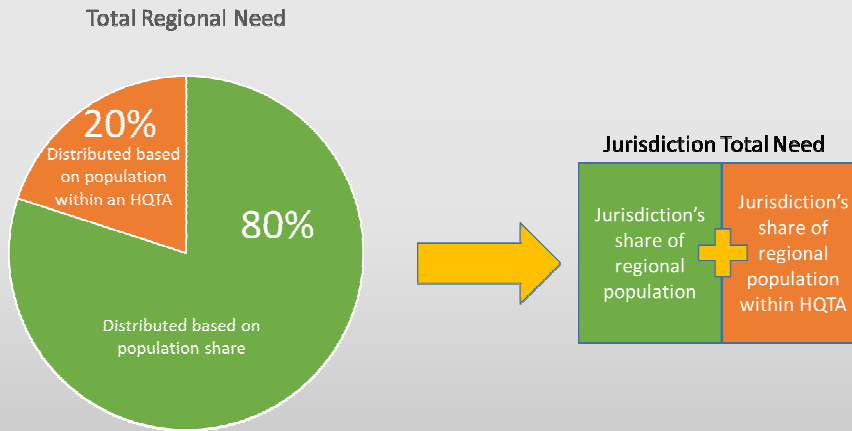


Option 1

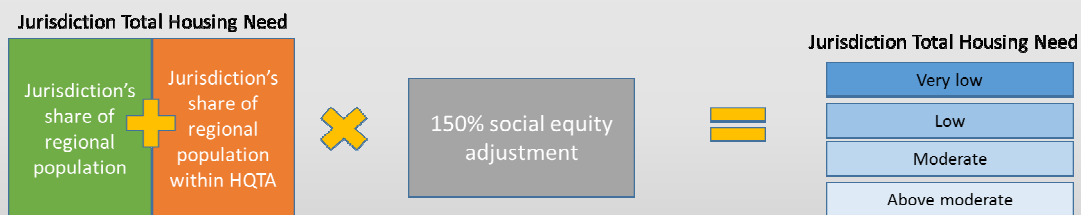
Step 3: Total RHNA Allocation



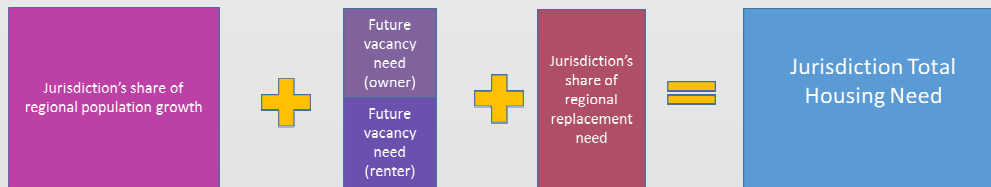
Option 2 Step 1



Option 2 Step 2

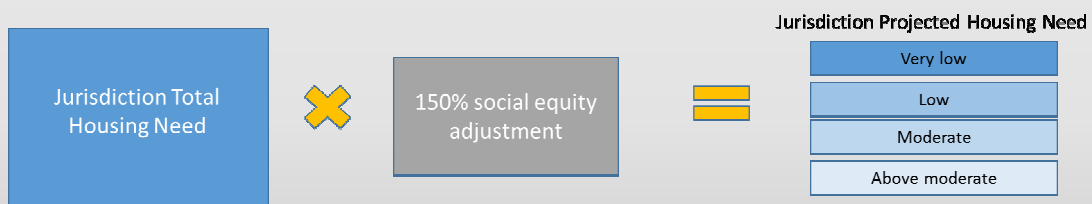


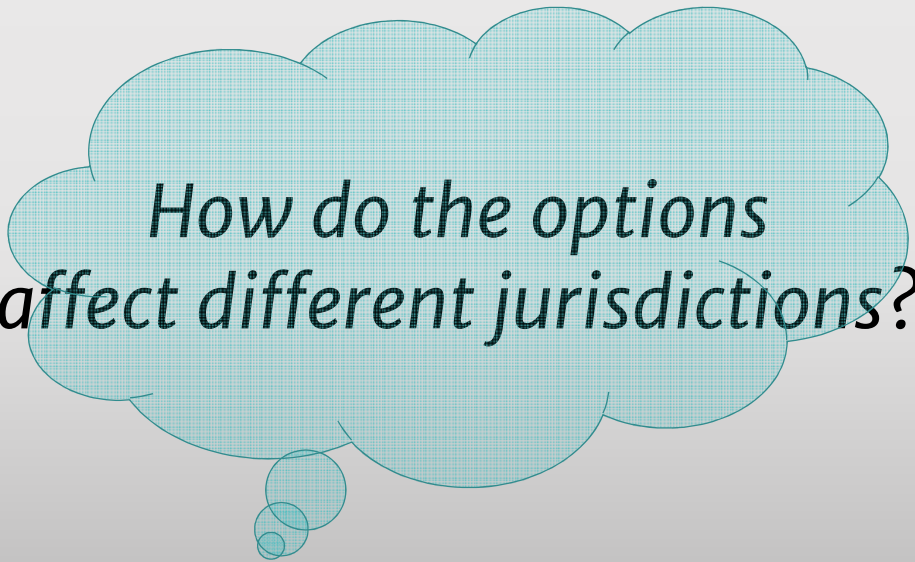
Option 3 Step 1



- Similar to projected need from Option 1
- Share of regional population growth instead of household growth
- Horizon year based on closest household growth to regional determination from HCD

Option 3 Step 2





*How do the options
affect different jurisdictions?*

City A and City B

- City A
 - Urbanized
 - Within County X
 - Most of population is within an HQTAs
 - Population: Appx. 65,000
 - Higher concentration of lower income households than other parts of the county

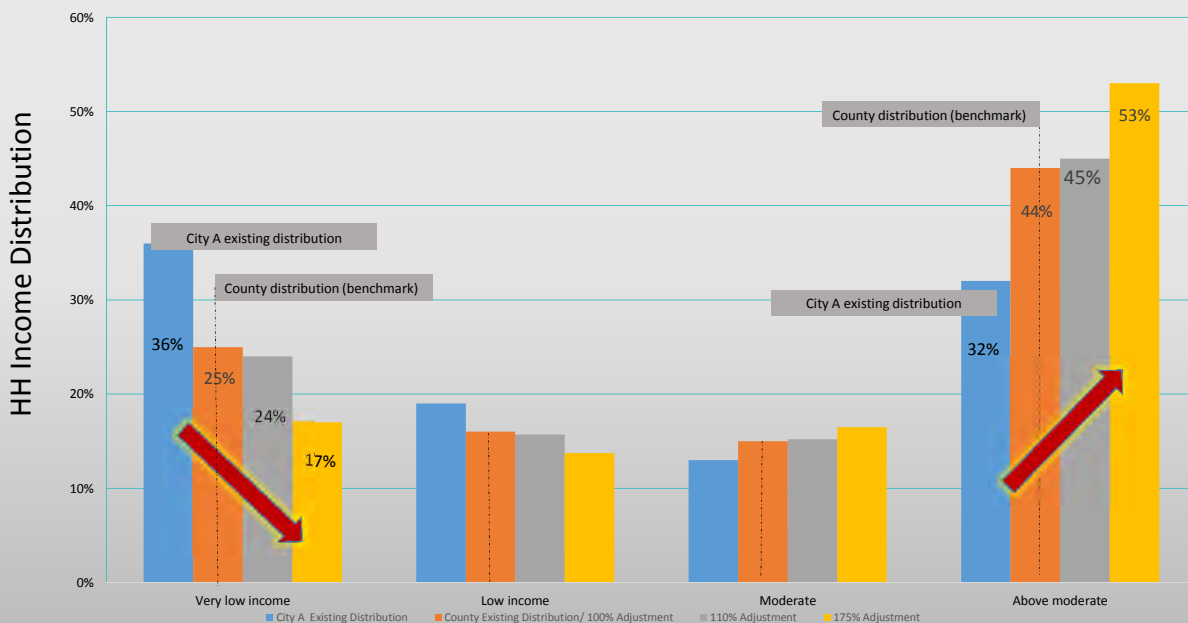
- City B
 - Suburban community
 - Within County Y
 - No HQTAs within jurisdiction
 - Population: Appx 65,000
 - Higher concentration of high income households than other parts of the county

Option 1: Step 1 Existing Need

- Example assumption: Regional existing need of 250,000
 - 175,000 (70%) will be assigned based on population share
 - 50,000 (20%) will be assigned based on population share within HQTAs
 - 25,000 (10%) will be assigned based on share of recent regional permit activity in comparison to population

City A	Existing need	City B	Existing need
+Share of regional population (0.35%)	606	+Share of regional population (0.35%)	606
+Share of regional population within HQTAs (0.37%)	183	+Share of regional population within HQTAs (0%)	0
+Share of permit activity in comparison to population (1.10%)	280	+Share of permit activity in comparison to population (0.30%)	88
=Total existing need	1,069	=Total existing need	694

Social Equity Adjustment



Option 1: Step 1 Existing Need

City A	Income Category	Very low	Low	Moderate	Above moderate	Total
	Current Distribution	30.1%	23.2%	17.6%	29.1%	100%
	After 110% adjustment	24.8%	14.8%	16.7%	43.6%	100%
	After 110% adjustment into 3 categories	44%	26.3%	29.7%	--	100%

City B	Income Category	Very low	Low	Moderate	Above moderate	Total
	Current Distribution	15.8%	12.2%	16.8%	55.2%	100%
	After 110% adjustment	24.5%	16.9%	18.5%	40.1%	100%
	After 110% adjustment into 3 categories	40.9%	28.3%	30.8%	--	100%

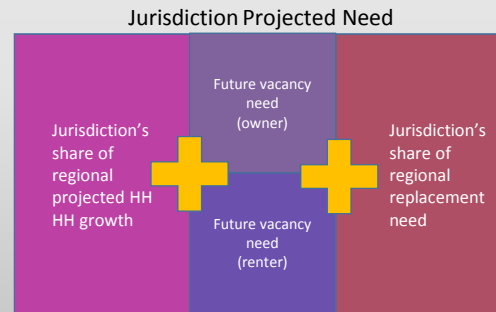
Option 1: Step 1 Existing Need

Existing housing need	City A	City B
Very low	459	318
Low	296	178
Moderate	315	198
Above moderate	--	--
Total	1,069	694

Option 1: Step 2 Projected Need

- Projected need will be determined by three factors:

- Household growth
- Future vacancy need
 - By owner and renter
- Replacement need



Option 1: Step 2a Household Growth

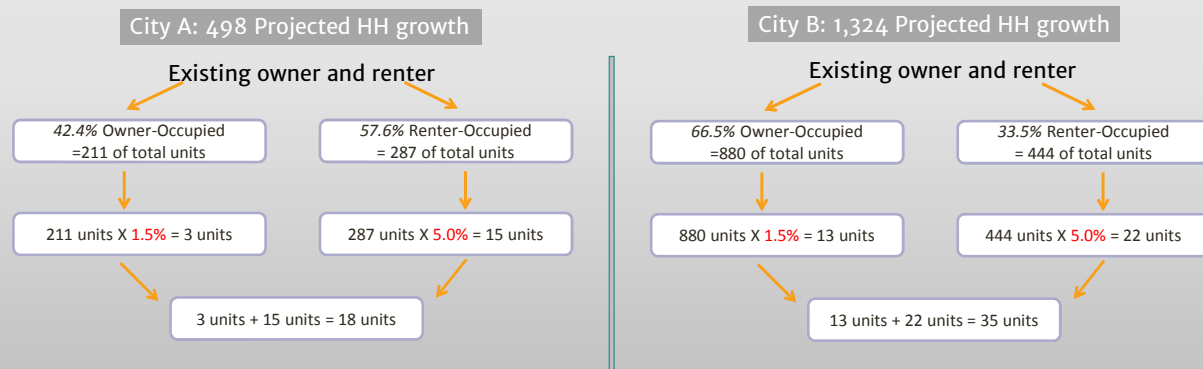
- A jurisdiction's share of regional household growth using local input as the basis

City A	
+Household growth (based on local input)	498

City B	
+Household growth (based on local input)	1,324

Option 1: Step 2b Future Vacancy Need

- Future vacancy need uses the breakdown of owner and renter households in each jurisdiction
- A 1.5% vacancy rate is applied to projected owner households
- A 5.0% vacancy rate is applied to projected renter households



Option 1: Step 2c Replacement Need

- Jurisdictions will be assigned a replacement need based on their share of regional replacement need
- Share of regional replacement need was adjusted by replacement need survey results
- The final regional replacement need will be assigned after the regional determination process with HCD
- Some jurisdictions replaced all demolished units and have 0 replacement need.

City A		City B	
+Replacement need (based on adjustment from survey)	24	+Replacement need (based on adjustment from survey)	0

Option 1: Step 2 Projected Need

City A		City B	
+Projected household growth	498	+Projected household growth	1,324
+Future Vacancy Need	18	+Future Vacancy Need	35
+Replacement Need	24	+Replacement Need	0
=Projected housing need	540	=Projected housing need	1,359

Option 1: Step 2

City A	Income category	City A existing HH income distribution	County X existing housing distribution	150% adjustment
	Very low	30.1%	25.3%	22.9%
	Low	23.2%	15.6%	11.8%
	Moderate	17.6%	16.8%	16.4%
	Above moderate	29.1%	42.3%	48.9%
City B	Income category	City B existing HH income distribution	County Y existing housing distribution	150% adjustment
	Very low	15.8%	23.7%	27.7%
	Low	12.2%	16.5%	18.6%
	Moderate	16.8%	18.3%	19.1%
	Above moderate	55.2%	41.5%	34.6%

Option 1: Step 3 Total RHNA Allocation

		Very low	Low	Moderate	Above moderate	Total
City A	Existing need	459	296	315	--	1,069
	Projected need	130	60	83	266	540
	Total RHNA	589	356	398	266	1,608

		Very low	Low	Moderate	Above moderate	Total
City B	Existing need	318	178	198	--	694
	Projected need	396	245	242	477	1,359
	Total RHNA	713	423	440	477	2,053

Option 2

- Example assumption: Regional need of 675,000
 - 540,000 (80%) will be assigned based on population share
 - 135,000
 - (20%) will be assigned based on population share within HQT

City A	Existing need	City B	Existing need
+Share of regional population (0.35%)	1,870	+Share of regional population (0.35%)	1,870
+Share of regional population within HQT (0.37%)	493	+Share of regional population within HQT (0%)	0
=Total need	2,363	=Total existing need	1,870

- Social equity adjustment: 150%

Option 3

- Based on population growth for selected horizon year
- Horizon year is selected based on horizon growth closest to HCD determination
- Example assumption: HCD provides a total of 800,000

City A	Existing need
+Share of regional population growth (0.14%)	910
+Future vacancy need	32
+Share of replacement need	24
=Total existing need	966

City B	Existing need
+Share of regional population growth (0.76%)	4,950
+Future vacancy need	132
+Share of replacement need	0
=Total existing need	5,082

- Social equity adjustment: 150%

A Comparison of Options

	Option 1	Option 2	Option 3
Existing need separate from projected need	Yes	No	No
Higher total of lower income categories	Yes	No	No
Emphasis on HQTAs from regional total	On existing need only, 20%	On total allocation, 20%	No
Accounts for recent building activity	Yes	No	No
Social equity adjustment	110% for existing need 150% for projected need	150% for total need	150% for total need
Local input as a component	Yes	No	Yes

Full Proposed RHNA Methodology

- Step by step guide to calculate a draft RHNA allocation in proposed methodology packet
- Full survey responses available at www.scag.ca.gov/rhna

Next Steps

- Recommendation of RHNA methodology options for public review
 - Today, July 22 RHNA Subcommittee
 - August 1, CEHD and Regional Council
- Proposed RHNA methodology public hearings
 - *Tentative:* August 20, 10-12pm, 1-3pm Los Angeles
 - *Tentative:* August 27, 5-7pm, Inland Empire
 - *Tentative:* September 3, 5-7pm, Los Angeles

Next Steps

- Special RHNA Subcommittee Meeting to select a RHNA methodology
 - Late September 2019
- Draft RHNA Methodology Review by HCD
 - Fall 2019

For more information

www.scag.ca.gov

Email: housing@scag.ca.gov

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Item 7.D

Regional Housing Needs
Assessment Methodology Update

Attachment 3

6th Cycle SCAG HCD Determination
Letter

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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
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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.	<i>- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029</i>				-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.	<i>- Occupied Units (HHs) estimated (June 30, 2021)</i>				-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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