



Agenda Report

File #: 19-0935

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 11/06/2019

TO: Honorable Mayor and City Council Members

FROM: Community Development

SUBJECT:

Informational report to the City Council on the Department of Housing and Community Development Regional Housing Needs Assessment (RHNA) Determination for the Southern California Association of Governments (SCAG) region for the 6th Cycle General Plan Housing Element Update (June 2021 through October 2029).

RECOMMENDED ACTION:

That the City Council receive the information reported on the RHNA Determination issued to the SCAG region.

ANALYSIS:

Pursuant to Government Code section 65588, state law requires regional and local General Plan Housing Elements to be updated periodically to reflect a community's housing needs. The General Plan Housing Element is mandated by the state to be updated every eight years in accordance with the state's Regional Housing Needs Assessment cycle, commonly known as RHNA. The City of Corona's Housing Element was last updated in October 2013 for planning period 2013 through 2021 and was done in accordance with the state's housing element cycle update. The city's Housing Element was also certified by HCD during the last update and as of today the city continues to maintain a state certified Housing Element in accordance with state law.

The regional housing needs for the entire state is determined by the Department of Housing and Community Development (HCD). The regional housing needs identifies the number of housing units that need to be built within each regional and local jurisdiction according to income category. The income categories include very low, low, moderate and above moderate incomes based on the county's average median income. Pursuant to Government Code section 65584.01, HCD is required to issue each regional association of governments a regional housing needs determination. The City of Corona is located within the Southern California Association of Governments (SCAG) region, which includes all the cities and unincorporated areas located in the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura. SCAG is then responsible for creating

and adopting a RHNA allocation methodology that will determine the distribution of the regional housing needs to each of the regional and local jurisdictions within the SCAG region.

The next Housing Element update is required to be completed by October 2021 for planning period 2021 through 2029. For the past several months, SCAG has been developing a RHNA allocation methodology to be used for the next eight-year planning period starting in October 2021. On August 22, 2019, HCD officially issued to SCAG a regional housing needs determination of 1,344,740 housing units for the four income categories. At the same time the RHNA was issued by HCD, SCAG was already in the process of holding a series of public meetings on the three RHNA allocation methodologies drafted by SCAG staff. SCAG received hundreds of public comments on the draft RHNA allocation methodologies from its respective jurisdictions and stakeholders in addition to public correspondence strongly urging SCAG to contest HCD's regional housing needs determination. The City of Corona could not take a supporting position on any draft methodologies presented by SCAG because of the overwhelming number of housing units that would be assigned to the city as a result of HCD's RHNA determination. Instead the city submitted a letter dated September 3, 2019 to SCAG that strongly urged SCAG to file an appeal to HCD.

Although the city has not yet been issued its official RHNA allocation from SCAG, the RHNA allocation worksheet provided by SCAG gives cities and unincorporated areas an approximate estimate of their RHNA units under the three draft methodologies presented by SCAG. The city is part of the Western Riverside Council of Governments (WRCOG) subregion which includes 18 cities and unincorporated Riverside County. Depending on the methodology options, the WRCOG region would have a RHNA delegation ranging from 114,920 to 245,074 units out of the 1,344,740 housing units assigned to SCAG. The City of Corona under the three draft methodologies was estimated to have a RHNA allocation ranging from 7,334 to 9,550 units.

SCAG submitted an objection letter to HCD on the RHNA determination on September 18, 2019 and cited reasons for their objection. The letter also included an alternative RHNA determination which consisted of a range of 823,808 to 920,772 housing units for the SCAG region. SCAG justified their reasoning according to their growth forecasts from their RTP/SCS (Regional Transportation Plan/Sustainable Communities Strategy Plan) and disagreed with HCD for using a national average to determine household overcrowding and cost burden rates instead of rates in comparable regions.

In response to SCAG's objection letter, HCD issued its final RHNA delegation to SCAG on October 15, 2019. The revised RHNA delegation issued to SCAG was 1,341,827 total housing units, which is less 2,913 units from the initial delegation received in August 2019.

SCAG also proposed a new RHNA allocation methodology based on the public comments they received during the public comment period on the draft methodologies. The common theme among the comments was housing needs to be closer to jobs. Job access was not considered in the initial three draft methodologies. Therefore, the previous three methodologies have been eliminated and replaced with a fourth methodology that takes into consideration growth forecast, transit access and job access. Based on SCAG's RHNA methodology excel worksheet the City of Corona is anticipated to receive a RHNA allocation of 6,367 units under the fourth methodology. The below tables demonstrate the RHNA determination to the SCAG region and Corona's RHNA allocation in comparison to the other cities located in the WRCOG subregion. As stated, SCAG has not yet officially issued the RHNA allocation to the local jurisdictions. Therefore, the number being provided is subject to change.

HCD REGIONAL HOUSING NEED DETERMINATION SCAG REGION Planning Period 2021 through 2029		
Income Category	Percentage of Housing Need	Housing Unit Need
Very Low	26.2 %	351,796
Low	15.4 %	206,807
Moderate	16.7 %	223,957
Above Moderate	41.7 %	559,267
TOTAL		1,341,827

Draft RHNA – WRCOG Cities	
Riverside County (unincorporated)	46,171
Riverside	20,126
Moreno Valley	16,275
Hemet	12,640
Lake Elsinore	12,217
Menifee	11,976
Perris	10,040
Temecula	7,764
San Jacinto	6,523
Corona	6,367
Beaumont	6,216
Wildomar	4,963
Jurupa Valley	4,956
Calimesa	4,340
Murrieta	3,315
Banning	3,275
Eastvale	2,397
Canyon Lake	192
Norco	42
Total WRCOG region	179,795

According to SCAG’s RHNA Allocation schedule, SCAG anticipates submitting the RHNA methodology to HCD in November 2020. HCD will have 60 days to review and provide comments on SCAG’s proposed methodology. SCAG staff anticipates reviewing HCD’s comments in January 2020

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and present a recommendation on the RHNA methodology to the SCAG RHNA subcommittee in February 2020. Shortly thereafter, local and regional jurisdictions should receive their official RHNA allocation from SCAG.

The City of Corona is planning on starting their Housing Element Update in July 2020 in order to meet HCD's Housing Element submittal deadline by October 2021.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL ANALYSIS:

Not applicable.

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REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, INTERIM CITY MANAGER

Attachments:

1. Exhibit 1 - Draft SCAG RHNA Worksheet (City of Corona).
2. Exhibit 2 - Department of Housing Community Development Final RHNA Determination to SCAG dated October 15, 2019.