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From: Alex Heide, Water Resources Analyst

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Subject: Regional Housing Needs Allocation & 2020 UWMP Incorporation



Background

The Regional Housing Needs Assessment (RHNA) is mandated by State housing law and quantifies the need for housing within each city during a specific planning period. The Southern California Association of Governments (SCAG) finalized the 6th cycle of the RHNA allocation plan in March 2021, which covers the planning period of October 2021-October 2029. Every city must plan for its RHNA allocation in the housing element of its General Plan by ensuring there is enough sites and zoning capacity to accommodate their RHNA allocation for each prescribed income category. The total regional determination provided by the California Department of Housing and Community Development (HCD) to SCAG was 1,341,827 housing units, which were then allocated to the 197 cities across the SCAG region¹.

Question #1

How is RHNA incorporated into the population projections put together by the Center for Demographic Research (CDR) at California State University Fullerton and SCAG?

Answer

RHNA housing units allocated to cities are an output of SCAG's RHNA methodology, which includes population projections and multiple other input variables. The population and housing projections from SCAG (and CDR for Orange County Cities) were incorporated into SCAG's RHNA methodology to determine how the 1.3 million housing units would be distributed among the cities.

The RHNA allocations may affect future iterations of the population and housing projections after cities update their General Plan Housing Elements, and zoning if necessary. If rezoning land to residential uses or rezoning to increase housing densities occurs as a result of the RHNA allocations, these efforts may result in cities providing feedback, to CDR and/or SCAG during the growth forecast update process, that they expect additional housing units to be built beyond what was forecast in the previous growth forecast iteration.

For the 6th RHNA Cycle, cities now have six months to update their housing elements and three years to update their zoning, if necessary, to accommodate their RHNA allocations. There is no requirement for any housing units to actually be built; Cities only have to show they can accommodate the RHNA allocations through sites and zoning capacity. Cities generally have until the end of 2024 to update their zoning as a result of RHNA. Since the next iteration of the SCAG population projections will be completed in ~April 2024 and the deadline for cities to provide input on its growth forecast is fall 2022, the impacts of the 6th RHNA Cycle rezoning efforts will likely not be fully considered until the 2028 SCAG population projection update.

Therefore, the current population projections provided by CDR reflect the scenario that is **most likely** to occur under the assumptions made under that iteration. These projections are based on the best available information

¹ The SCAG region encompasses six counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura

and data at the time. Future iterations of these projections will also be updated with the latest data and information available.

Question #2

Should MWDOC include the 6th cycle of the RHNA allocation plan into the 2020 UWMP planning process?

Answer

Generally, no. The 6th cycle of RHNA is information that will eventually fold into future UWMPs (indirectly) when CDR and SCAG update future population and housing projections after the cities update their zoning and housing elements. Furthermore, with the RHNA allocation being purely a housing unit allocation at the current stage, it is premature to develop a methodology to quantify the water use since there is little information on the types of housing that may be developed and where that may be within any given city. Additionally, with the understanding that the RHNA process allocates housing needs, and that cities need to adequately zone for those needs, there may be a much different result of actual housing units that are built versus the zoning capacity. Lastly, Water Code Section 10631(a) does not require a specific methodology for projecting future populations, but it does require that the estimates of future population be based upon data from state, regional, or local service agency population projections. MWDOC would not have a methodology to incorporate RHNA into the population projections and relies on CDR to come up with the best practices for incorporation of this information.

Question #3

How could agencies incorporate the RHNA allocation if they wanted to address it in their UWMPs?

Answer

There are several ways that retail agencies could incorporate the RHNA allocation into their UWMPs. As noted above, one option agencies have is to come up with their own population projections that incorporate the RHNA allocation. A second option would be for agencies to address the RHNA allocation narratively in their UWMP and not make any changes to their CDR population projections.