



American Planning Association  
**California Chapter**

*Making Great Communities Happen*

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MEMO TO: MEMBERS OF THE SENATE TRANSPORTATION & HOUSING COMMITTEE

FROM: AMERICAN PLANNING ASSOCIATION, CALIFORNIA CHAPTER

DATE: JUNE 18, 2018

SUBJECT: **AB 1771 (BLOOM) – NOTICE OF SUPPORT IF AMENDED**  
CHANGES TO THE REGIONAL HOUSING NEED ALLOCATION PROCESS – IN SENATE TRANSPORTATION & HOUSING COMMITTEE – TUESDAY, JUNE 26TH

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The American Planning Association, California Chapter (APA California) has taken a support if amended position on AB 1771. AB 1771 would make a number of changes to how the Regional Housing Need Allocation process (RHNA) is determined in housing element law.

APA supports the goal of AB 1771 to revise the RHNA allocation process to ensure the allocations are balanced among cities and counties throughout the state. In many instances, jurisdictions that are actively promoting housing also continue to get the highest number of units. As you know, the housing package bills signed into law last year now impose consequences on jurisdictions that for a variety of reasons do not see enough housing built to match those allocations. Given those consequences, it is critical that the RHNA process be fair and balanced, and that laws relating to RHNA compliance do not unfairly punish those jurisdictions with the highest RHNA numbers and highest production. When one city gets 10 units in their RHNA and another gets 25,000 it is easy to see that equal outcomes aren't possible.

APA recommends that AB 1771 also be used to consider other changes to substantially simplify the RHNA process and would like to continue to work with the author and sponsors on these suggestions:

1. Substantially simplify the formulas the COGs use to allocate the RHNA.

AB 1771 does make many significant changes to the factors to be considered by the COGs in determining the methodology used to allocate the RHNA. APA believes that the RHNA allocation process could be streamlined and prioritized even more. Currently, there are so many factors considered in the formulas that they get so complicated no one single person can understand it. If a city or county doesn't understand the data, they don't trust it either, so will revert back

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to negotiations again and again. And a long list of factors equally weighted can lead to outcomes that are not balanced. This process is already currently too data driven. The key is not more data but identifying the priority data that will place the housing allocations where that housing is needed. If there are a few easy to understand factors that everyone can understand, the number is more likely to be accepted rather than challenged. The priority factors that APA would target include:

- A simple jobs/housing balance by income groups, which would go a long way in terms of a fairer process all by itself.
- Tying the RHNA distribution to available and planned fixed rail transit investment.
- Consistency with the SCS.
- A fair share floor.

2. Clarify timing and role of HCD comments and appeals.

APA suggests that HCD's ability to comment and appeal a city's or county's allocation include guardrails, including requiring any HCD appeals to be made within the existing time frames, with no final allocation until all appeals are completed. Otherwise, if one jurisdiction's allocation changes, other jurisdictions' allocations will be impacted very late in the process since adjustments up or down must be made up by other jurisdictions.

3. Revise recent housing legislation that restricts the ability to designate redeveloped and vacant sites and consider interaction with ability to meet RHNA.

One item APA recommends be reassessed within opportunities and constraints is 65584.04(d)(2) (B), which is written very broadly in increasing residential supply of land and therefore increases housing allocation for jurisdictions. AB 1397 signed into law last year restricts the ability of cities and counties to identify sites in their inventory, both redeveloped sites and vacant sites. APA believes that without a change in the definition of these viable sites in AB 1397, cities and counties will not be able to find enough sites that meet AB 1397's criteria, particularly built out cities. We would like to suggest looking at revisions to ensure that cities and counties have options, or can implement other best practices, so that they can still receive HCD's approval of their site inventory in this next round of housing elements.

4. Consider other options to further streamline the RHNA process including:

- Use the information already in the SCS including urban land use designations in determining the RHNA methodology rather than starting from scratch.
- Move some of the factors/issues now addressed in the methodology to individual jurisdictions' housing elements, where they make more sense, such as overcrowding.
- Tie factors in the RHNA allocation process to the production reporting process - the site inventory process (i.e., what counts as an available site) and the production reporting process should not be disassociated from the RHNA allocation process.
- Couple funding for very-low income, low-income and moderate-

income housing development with the RHNA allocation process – without those subsidies, that goal of building enough housing to meet the RHNA allocations is not achievable.

This bill provides an excellent opportunity to make the RHNA allocation process more fair and transparent while prioritizing those items that will provide a much more balanced process – without making that process more difficult or substantially lengthening the overall time line. APA California is committed to working with the author and sponsors on these changes.

If you have any questions, please contact our lobbyist, Sande George, with Stefan/George Associates, [sgeorge@stefangeorge.com](mailto:sgeorge@stefangeorge.com), 916-443-5301.

cc: Governor's Office  
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