



June 28, 2022

Southern California
Association of Governments
Attn: Jan Harnik, President
Riverside County Regional Office
3403 10th Street, Suite 805
Riverside, CA 92501

RE: RHNA Reform Recommendations

Dear President Harnik:

In March 2020, the Southern California Association of Governments ("SCAG") adopted its 6th cycle RHNA allocation plan, which covers the planning period October 2021 through October 2029. For the 6th cycle, SCAG received a need of 1,341,827 housing units, which was distributed to all 197 SCAG jurisdictions. Per the Allocation Plan (*modified July 1, 2021*), 167,351 total units were distributed to Riverside County with over 30,000 assigned specifically to the Coachella Valley¹.

We understand that, per Assembly Bill 101, the Department of Housing and Community Development ("HCD") will be conducting a RHNA reform outreach process and will make recommendations to the State Legislature by December 31. We also understand that SCAG will conduct an outreach process to stakeholders to collect input on RHNA reform and by Fall 2022, and make recommendations to the Community, Economic and Human Development Committee and Regional Council for submittal to HCD. As part of this effort, Indian Wells would like to go on record with our continued concerns and recommendations for RHNA reform.

A Regional Approach with Regional Impact

As SCAG and HCD are aware, concerns over the limitations built-out communities like Indian Wells have with finding the land for required for the development of affordable housing remain unchanged. The cost to build a unit in Indian Wells is another barrier due to limited land availability, whereas neighboring communities like La Quinta, Indio

¹ From *SCAG 6TH CYCLE FINAL RHNA ALLOCATION PLAN*. SCAG. (2022). https://scag.ca.gov/sites/main/files/file-attachments/6th_cycle_final_rhna_allocation_plan_070121.pdf?1646938785



and Desert Hot Springs, with an abundance of land, find affordability to be less of an issue.

“RHNA [...] allows communities to anticipate growth, so that collectively the region and subregion can grow in ways that enhance quality of life, improve access to jobs, promotes transportation mobility, and addresses social equity and fair share housing needs.”² According to HCD, achieving this objective includes preventing segregation and poverty concentration as well as increasing access to areas of opportunity.

The importance of regionalization in addressing affordable housing becomes necessary. Allowing cities, the County and non-profits to partner together to achieve housing goals **and** obtain RHNA credit for their investments would encourage the development of affordable housing in a way the siloed, local jurisdiction allocation does not currently allow. Partnerships between local jurisdictions with available land and those with available funding would arguably lead to a more significant impact to address the housing crisis than the existing expectation; local jurisdictions would have a path to actually build, rather than simply accommodate for anticipated need.

In March 2022, Acting California State Auditor Michael S. Tilden, CPA, informed the Governor of California, President pro Tempore of the Senate and Speaker of the Assembly that “The Department of Housing and Community Development must improve its processes to ensure that communities can adequately plan for housing.”³ That process begins with a willingness to reevaluate our approach. Providing cities the ability to collaboratively negotiate a fair division of affordable units based upon the amount of financial commitment and value of land provided by each community focuses on a regional approach with region-wide impact.

Indian Wells recognizes that while land-use planning is fundamentally a local issue, the availability of housing is a matter of statewide importance. According to HCD, “[t]he RHNA Plan process requires local governments to be accountable for ensuring that projected housing needs can be accommodated [... and that...] each local government is providing enough appropriately designated land and opportunities for housing development (based on the need).”⁴ If the concern is that each local government have a minimum obligation, setting a limit to the amount of RHNA credit offered through these regional partnerships would be a viable option forward.

² From *REGIONAL HOUSING NEEDS ASSESSMENT*. SCAG. (2022). [RHNA - Southern California Association of Governments](#)

³ From *Regional Housing Needs Assessments*. Auditor of the State of California. (2022, March 17). <https://www.auditor.ca.gov/reports/2021-125/index.html>

⁴ From *Projected Housing Needs - Regional Housing Needs Allocation*. California Department of Housing and Community Development. (2022). [Projected Housing Needs - Regional Housing Needs Allocation | California Department of Housing and Community Development](#)



Housing Project Flexibility

Unfortunately, the existing RHNA process only considers the needs of the population in households who are housed in the regular housing market, and excludes the population living in group quarters, which are non-household dwellings, such as jails, nursing homes, dorms, and military barracks. The State, too, still does not consider student/faculty housing to be “affordable housing,” creating a hurdle for regional partnerships to make progress on housing developments geared toward additional, affordable student and faculty housing.

Local jurisdictions need flexibility to assist in housing projects that address the unique needs of the regions they serve.

The needs assessments completed by HCD are required, by State law, to incorporate population projections developed by the Department of Finance, which include multiple sources of information, including data from the U.S. Census Bureau and records of driver’s licenses, births and deaths, school enrollments, and tax filings. The City of Indian Wells is specifically invested in school enrollments and has been a steadfast advocate for funding toward the ongoing development of the California State University San Bernardino (CSUSB) extension campus in Palm Desert. Students attending from minority, under-served and under-represented communities will greatly benefit from having expanded access to higher education through a larger and more robust CSU campus they can afford to attend.

The CSUSB Palm Desert campus offers an example whereby neighboring and adjacent cities can act in partnership to provide affordable units to address the student housing crisis ***and*** receive RHNA credit to do so.

HCD currently allows jurisdictions to “take RHNA credit for units built on sites controlled by an exempt state, federal, or tribal nation entity (e.g., college/university, military, recognized tribe) as long as the local government is responsible for reporting the new units to California Department of Finance in their annual DOF housing unit survey.”⁵ Modifying this allowance to include the allocation of RHNA credit to the neighboring and adjacent cities which funded the development of those units would encourage these regional partnerships.

⁵ From *Projected Housing Needs – Regional Housing Needs Allocation*. California Department of Housing and Community Development. (2002). [Projected Housing Needs - Regional Housing Needs Allocation | California Department of Housing and Community Development](#)



The City of Indian Wells has also submitted a letter documenting our position of support for Senate Bill 886 (Weiner) - California Environmental Quality Act: exemption: public universities: university housing development projects (*As amended 5/19/22*). By clarifying that student and faculty housing would be exempt from the California Environmental Quality Act (CEQA), this Bill would assist CSUSB or any other university in streamlining and reducing costs of their review and approval process and reduce exposure to legal challenges. This could help CSUSB to more seriously consider and move forward with a housing project in the near future.

We look forward to the dialogue at the upcoming RHNA Reform Input Session and are available for ongoing discussion regarding RHNA reform. Please connect with City Manager Chris Freeland at 760-346-2489 or via email at cfreeland@indianwells.com with any questions regarding these recommendations.

Sincerely,

A handwritten signature in black ink that reads "Dana W. Reed".

Dana Reed, Mayor
City of Indian Wells

cc: Sohab Mehmood, HCD Housing Policy Specialist, Sohab.Mehmood@hcd.ca.gov
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