

SOUTHERN CALIFORNIA



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## NO. 6 MEETING OF THE

# REGIONAL HOUSING NEEDS ASSESSMENT & HOUSING ELEMENT REFORM

***Wednesday, March 18, 2015***  
***1:00 p.m. – 4:00 p.m.***

**SCAG Main Office**  
**818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor, Board Room**  
**Los Angeles, CA 90017**  
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#### **Imperial County Regional Office**

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Due to the limited size of the meeting room, participants are encouraged to reserve a seat in advance of the meeting. In the event the meeting room fills to capacity, participants may attend the meeting at the main location or any of the other video-conference locations.

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**Ventura County Regional Office**  
950 County Square Drive, Suite 101  
Ventura, CA 93003

**South Bay Cities COG, Environmental Services Center**  
20285 S. Western Avenue, Suite 100  
Torrance, CA 90501

**Coachella Valley Association of Governments**  
73-710 Fred Waring Drive, Suite 200  
Palm Desert, CA 92260

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ma'Ayn Johnson at (213) 236-1975 or via email [johnson@scag.ca.gov](mailto:johnson@scag.ca.gov). In addition, the RHNA and Housing Element Reform Subcommittee meeting may be viewed live or on-demand at <http://www.scag.ca.gov/NewsAndMedia/Pages/SCAGTV.aspx>.

Agenda and Minutes for the Regional Housing Needs Assessment & Element Reform Subcommittee are also available at:

<http://www.scag.ca.gov/committees/Pages/default.aspx>

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**Regional Housing Needs Assessment and  
Housing Element Reform Subcommittee  
Member List**

- San Bernardino County: Hon. Bill Jahn, Big Bear Lake, District 11 (Alternate), **Chair**  
Hon. Larry McCallon, Highland, District 7 (Primary)
- Los Angeles County: Hon. Margaret Finlay, Duarte, District 35 (Primary)  
Hon. Steven Hofbauer, Palmdale, District 43 (Alternate)
- Orange County: Hon. Rose Espinoza, La Habra, OCCOG (Primary)  
Hon. Michele Martinez, Santa Ana, District 16 (Alternate)
- Riverside County: Hon. Randon Lane, Murrieta, WRCOG (Primary)  
Hon. Debbie Franklin, Banning, WRCOG (Alternate)
- Ventura County: Hon. Carl Morehouse, San Buenaventura, District 47 (Primary)  
Hon. Linda Parks, County of Ventura, (Alternate)
- Imperial County: Hon. Cheryl Viegas-Walker, El Centro, District 1 (Primary)  
Hon. Jack Terrazas, Imperial County (Alternate)

**Regional Housing Needs Assessment &  
Housing Element Reform Subcommittee  
Teleconference Information  
Pursuant to Government Code Section 54953**

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**Teleconference Locations:**

Department of Housing and Community  
Development  
2020 W. El Camino Av., Suite 500  
Sacramento, CA 95833

Rabobank, N.A.  
1498 Main Street, El Centro, CA  
92243

**REGIONAL HOUSING NEEDS ASSESSMENT AND  
HOUSING ELEMENT REFORM  
SUBCOMMITTEE  
AGENDA  
MARCH 18, 2015**

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*The Regional Housing Needs Assessment and Housing Element Reform Subcommittee can consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.*

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

*(Hon. Bill Jahn, Chair)*

**PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Regional Housing Needs Assessment and Housing Element Reform Subcommittee, must fill out and present a speaker’s card to the Assistant prior to speaking. Comments will be limited to three (3) minutes. The Chair may limit the total time for all comments.

**REVIEW AND PRIORITIZE AGENDA ITEMS**

**CONSENT CALENDAR**

**Time      Page No.**

**Receive and File**

- |    |   |                   |           |
|----|---|-------------------|-----------|
| 1. | <u>Minutes of the September 29, 2014 RHNA and Housing Element Reform Subcommittee Meeting</u> | <b>Attachment</b> | <b>1</b>  |
| 2. | <u>RHNA and Housing Element Reform Topic Outlook</u>  | <b>Attachment</b> | <b>7</b>  |
| 3. | <u>Recap of Credit for Inclusionary Zoning</u>  | <b>Attachment</b> | <b>9</b>  |
| 4. | <u>Recap of Calculating Low and Very Low Income Housing Need in RHNA Methodology</u>          | <b>Attachment</b> | <b>15</b> |

**ACTION ITEMS**

- |    |  |                   |                |           |
|----|--|-------------------|----------------|-----------|
| 5. | <u>Final Report: Recommendations Relating to RHNA and Housing Element Reform</u><br><i>(Huasha Liu, SCAG Director Land Use &amp; Environmental Planning)</i> | <b>Attachment</b> | <b>30 min.</b> | <b>19</b> |
|----|--|-------------------|----------------|-----------|

**Recommended Action: Review and affirm the recommendations made in the prior four meetings of the RHNA and Housing Element Reform Subcommittee regarding RHNA and housing element reform topics for further review by the Community, Economic and Human Development (CEHD) Committee and recommended approval by the Regional Council.**

**REGIONAL HOUSING NEEDS ASSESSMENT AND  
HOUSING ELEMENT REFORM  
SUBCOMMITTEE  
AGENDA  
MARCH 18, 2015**

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**CHAIR'S REPORT**

*(Hon. Bill Jahn, Chair)*

**STAFF REPORT**

*(Ma'Ayn Johnson, SCAG Staff)*

**ANNOUNCEMENTS**

**ADDITIONAL PUBLIC COMMENT PERIOD**

**ADJOURNMENT**

*This meeting of the Regional Housing Needs Assessment and Housing Element Reform Subcommittee is scheduled to be the Subcommittee's final meeting.*

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REGIONAL HOUSING NEEDS ASSESSMENT AND HOUSING ELEMENT REFORM  
SUBCOMMITTEE, MEETING NO. 5  
OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
MONDAY, SEPTEMBER 29, 2014

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*MINUTES*

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**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL HOUSING NEEDS ASSESSMENT AND HOUSING ELEMENT REFORM SUBCOMMITTEE. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

A meeting of the Regional Housing Needs Assessment & Housing Element Reform Subcommittee was held at SCAG's office in downtown Los Angeles. The meeting was called to order by the Hon. Bill Jahn, Chair. There was quorum.

**Members Present:**

Hon. Bill Jahn (Chair)	San Bernardino County, Big Bear Lake, District 11 (Alternate)
Hon. Margaret Finlay	Los Angeles County, Duarte, District 35 (Primary)
Hon. Debbie Franklin	Riverside County, Banning, WRCOG (Alternate)
Hon. Ron Garcia	Orange County, Brea, OCCOG (Primary)
Hon. Larry McCallon	San Bernardino County, Highland, District 7 (Primary)
Hon. Kathryn McCullough	Orange County, Lake Forest, OCCOG (Alternate)
Hon. Carl Morehouse	Ventura County, San Buenaventura, District 47 (Primary)
Hon. Jack Terrazas	Imperial County (Alternate)
Hon. Cheryl Viegas-Walker	Imperial County, El Centro, District 1 (Primary)

**Members Not Present:**

Hon. Steven Hofbauer	Palmdale, District 43 (Alternate)
Hon. Randon Lane	Riverside County, Murrieta, WRCOG (Primary)
Hon. Linda Parks	Ventura County, County of Ventura (Alternate)

**CALL TO ORDER**

Hon. Bill Jahn, Chair, called the meeting to order at 1:02 p.m. Hasan Ikhata, Executive Director of SCAG, led the RHNA and Housing Element Reform Subcommittee in the Pledge of Allegiance. Roll call was taken.

**PUBLIC COMMENT PERIOD –**

Mayor Joe Lyons, City of Claremont, indicated that his City makes a dedicated effort to implement low and very low income housing opportunities, but finds that the current process and regulations have placed constraints on building affordable housing.

**CONSENT CALENDAR**

**Receive and File**

1. Minutes of the May 29, 2014 RHNA and Housing Element Reform Subcommittee Meeting
2. RHNA and Housing Element Reform Topic Outlook and Matrix

A MOTION was made (Finlay) and SECONDED (McCallon) to approve the Consent Calendar. A roll call vote was taken per county and the motion was UNANIMOUSLY APPROVED as follows:

AYES: Finlay, Garcia, Franklin, McCallon, Morehouse, Viegas-Walker  
NOES: None  
ABSTAIN: None

### **INFORMATION ITEMS**

The Chair noted that Action Item #4 was to be discussed first because two members had to leave early.

3. Unforeseen and Significant Change in Circumstances Survey (Ma’Ayn Johnson, SCAG Staff)

Though an “unforeseen and significant change in circumstances” is one of the options on which to base a RHNA appeal, State law does not provide a definition or specify by what point in the process such circumstances would need to occur for it to be considered as part of the appeal. At the direction of the Subcommittee, SCAG staff conducted a survey of all jurisdictions to receive input from our stakeholders on examples of unforeseen and significant change in circumstances. The survey was sent to all Planning Directors and City and County Managers on July 31, 2014 with a due date of August 22, 2014. There were 70 responses; of those, approximately 50 completed at least one question. To facilitate further survey responses, SCAG staff also sent the survey to sub-regional coordinators Sept. 16, 2014 and will report back to the Subcommittee if additional results are received. Ms. Johnson provided an overview of the survey results received to date.

### **ACTION ITEMS**

4. Issues and Recommendations Relating to RHNA and Housing Element Reform

Huasha Liu, SCAG Director Land Use & Environmental Planning, stated that nine housing element related topics will be discussed today. Ms. Liu indicated that staff will present all nine discussion topics after which the Subcommittee could then take one motion.

- (1) Existing Housing Needs Statistics Preparation, Usage and Review

Each housing element is required to meet the projected housing needs as represented by the RHNA allocation; there is also an existing housing need that needs to be identified. For the 5<sup>th</sup>

cycle, HCD allowed COGs such as SCAG to develop pre-approved data sets for use by jurisdictions to develop the existing housing needs portion of the local housing element update. SCAG compiled existing housing need information and posted it online in an easily downloadable format. SCAG staff recommends that HCD consider formalizing the streamlining review policy for existing housing needs data used in the 5th cycle.

#### (2) Credit for Inclusionary Zoning

Inclusionary zoning policies are used by several jurisdictions in the region to meet affordable housing needs represented by their RHNA. Some jurisdictions adopt an ordinance that requires a certain percentage of new residential developments be set aside for and affordable for low income families. This is a voluntary policy and not all jurisdictions use this tool in their housing elements. SCAG staff recommends that HCD continue to allow local jurisdictions to use inclusionary zoning as an option to receive credit toward their affordable housing needs as part of the housing element process.

#### (3) Housing Element Compatibility with Community Design

SCAG staff provided an overview of how a jurisdiction might demonstrate a site's affordability using two options presented in State housing law. One option is to provide an analysis of how the site is affordable using land acquisition costs, anticipated rental rates, or other relevant data. The other option is to apply default density to the site using a density number outlined in State housing law. Depending on the jurisdiction's size and location, a jurisdiction in the SCAG region's default density is either 20 or 30 dwelling units per acre. Staff also explained how tools such as inclusionary zoning and affordable housing overlays are used by jurisdictions to meet their housing needs. It is recommended that SCAG staff facilitate discussions between HCD and jurisdictions regarding community design in housing element review and also that HCD continue to allow tools such as inclusionary zoning and affordable housing overlays in meeting housing needs.

#### (4) Housing Element Preparation and Timeline

Jurisdictions have about 18 months to prepare their respective housing element. In terms of implementation, jurisdictions that do need to complete rezoning are given 3 years after the adoption of the housing element or 90 days from receiving HCD comments, whichever is earlier. Additionally, a one-year extension can be granted by HCD if the jurisdiction demonstrates progress. Thus, jurisdictions have up to 4 years to implement their respective housing element.

SCAG staff will continue to provide information to jurisdictions on the RHNA process and housing element update timelines and facilitate discussion with HCD for jurisdictions that need additional time for housing element implementation.

#### (5) Default Density, Ranges, Exceptions and Mixed-Use Designations

SCAG staff provided a brief overview of the default density option available to jurisdictions. It was again clarified that a default density does not need to be a starting point for demonstrating the affordability of a site; rather, a range that includes the default density specified for that jurisdiction can be considered.

In regard to mixed-use designations, jurisdictions can count mixed-use designations in their housing element for meeting affordable housing needs. However, as with any other sites and zoning analysis, the jurisdiction must demonstrate the site's affordability either by providing an affordability analysis or applying the default density option. SCAG staff will continue to facilitate discussion between HCD and jurisdictions to address default density options when determining appropriate sites for accommodating low and very low income households.

#### (6) Transitional and Supportive Housing

As part of the housing element, jurisdictions are required by State law to analyze and plan for transitional and supportive housing. Transitional and supportive housing is for those in transition or that may need supportive services. Stays are typically between six months and two years. Jurisdictions are required to treat transitional housing as any other residential use of that similar type in that similar planning area when meeting the planning requirements of transitional housing. It is recommended that SCAG staff continue to facilitate discussions between HCD and jurisdictions in need of housing element assistance and to not change State housing law on this issue.

#### (7) Housing Elements – Funding and Preparation

It has been suggested that state funding for the development of RHNA and housing elements be made available since they are state mandates. While there is no specific state funding available for jurisdictions for the purpose of updating local housing elements, it was noted that preliminary Cap and Trade funding guidelines indicate that projects which include affordable housing are going to be high up on the list for this new revenue source. SCAG staff recommends continuing the dialogue with HCD and other State agencies to find opportunities for State-level funding for jurisdictions to assist in the development of housing elements.

HCD staff added that some community development block grant (CDBG) funds have been available for planning assistance, including housing element preparation. However, beyond CDBG funds, there is nothing yet available for housing element development at the state level.

#### (8) Incentives for Compliance

Jurisdictions with compliant housing elements are prioritized for HCD grants and funding programs, such as the Transit-Oriented Development Housing Program and the Housing-related Parks Program. Further, SCAG staff indicated that a major point of the new revenues

from Cap and Trade funding is to get projects built that meet the state's goal of integrating housing construction, especially affordable housing, with transportation. SCAG will continue to coordinate with HCD in an effort to ensure that jurisdictions with compliant housing elements continue to receive streamlined review and funding opportunities as available.

(9) CEQA Exemptions for Housing Elements

It has been suggested that CEQA exemptions be granted for infill projects that have been designated to meet housing need in the housing elements. SCAG staff holds the position that projects should have CEQA streamlining when they are consistent with a sustainable community strategy. However, the current requirements for CEQA exemptions and streamlining are fairly difficult to meet. Senate Bill 743, which is working its way through the Office of Planning and Research (OPR) process, has a number of significant potential exemptions for projects and/or streamlining. Specifically, an exemption is included for residential, employment centers or mixed-use development projects that are within a transit priority area and the detailed specific plan that is locally adopted. Additionally, OPR is developing an alternative to the existing Level of Service (LOS) indicator used in CEQA as a measure of traffic congestion. SCAG will continue to provide information on CEQA streamlining to SCAG Policy Committees and stakeholders as additional information becomes available, and to continue to discuss the topic as part of on-going CEQA modernization efforts.

A MOTION was made (Garcia) and SECONDED (Finley) to approve Item #4 recommendations 1 – 9.

A roll call vote was taken per county and the motion was UNANIMOUSLY APPROVED as follows:

AYES: Finlay, Garcia, Franklin, Jahn, Morehouse, Viegas-Walker  
NOES: None  
ABSTAIN: None

**CHAIR'S REPORT** - No report.

**STAFF REPORT** – No report

**ADJOURNMENT**

The meeting adjourned at 4:00 p.m. The next meeting of the RHNA & Housing Element Reform Subcommittee is to be determined by polling the members of the Subcommittee. The meeting will be held at the SCAG Los Angeles office.



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Huasha Liu  
Director, Land Use and Environmental Planning

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## **RHNA and Housing Element Reform Topic Outlook**

### **Meeting 1 (Date: October 23, 2013):** Charter and Outlook

- Subcommittee charter
- Topic outlook

### **Meeting 2 (Date: January 23, 2013):** SCAG-related administrative issues pertaining to the RHNA process; RHNA regional determination process

- Teleconferencing (A5)
- Communication with planning directors (A10)
- Funding for RHNA delegation (A3)
- Growth on Tribal lands (B3)
- Margin between SCAG and Department of Finance projections (B4)

### **Meeting 3 (Date: March 13, 2014):** RHNA allocation development for local jurisdictions.

- Preliminary draft of RHNA allocation (A7)
- Local input on growth forecast (A1, A8, B9)
- Facilitation of trade and transfers (A2)
- Consideration of general plan development and implementation (B5)
- RHNA Methodology Issues (A11, A12, C8)

### **Meeting 4 (Date: May 29, 2014):** Revision request and appeals processes

- Neutral third party hearing board (A4)
- Sample template of appeals (A9)
- Posting to SCAG staff responses to filed revision requests and appeals (A6)
- Revision request and appeals processes timeline (C1)
- Definition of change in circumstances (B6)

### **Meeting 5 (Date: September 29, 2014):** Housing element development and review; Funding and incentives

- Smaller city exceptions (C4)
- Credit for inclusionary zoning (B9)
- Default density ranges and mixed use designations (B1, B10, C5)
- Transitional and Supportive Housing Requirements (B11)
- Existing housing needs statistics preparation, usage, and review (B2)
- Housing element preparation and implementation timeline (B8, C2)
- Housing element compatibility with community design (C6)
- Funding for RHNA and housing element preparation (B7)
- Incentives for housing element compliance and affordable housing building activity (D1, D2)
- CEQA exemptions for housing elements (C7)

**Meeting 6 (Date: March 18, 2015):** Summary of discussion and approval of recommended action(s) to be presented to CEHD, Regional Council, and LCMC, as appropriate.

# REPORT

**DATE:** March 18, 2015  
**TO:** RHNA and Housing Element Reform Subcommittee  
**FROM:** Ma'Ayn Johnson, Housing & Land Use Planner, 213-236-1975, johnson@scag.ca.gov  
**SUBJECT:** Recap of Credit for Inclusionary Zoning

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**  
For Information Only - No Action Required.

**EXECUTIVE SUMMARY:**  
*At its September 29, 2014 meeting, the Subcommittee reviewed and discussed topics relating to housing element reform, including the issue of receiving credit for inclusionary zoning ordinances in a jurisdiction's housing element. As part of the Subcommittee discussion, staff from the California Department of Housing and Community Development (HCD) indicated that instead of an automatic credit to reduce a jurisdiction's RHNA allocation provided by SCAG, a jurisdiction can include an inclusionary zoning ordinance as part of its sites and zoning analyses to meet its RHNA need when preparing its housing element. In addition, HCD indicated that it will consider this topic as part of a statewide housing working group, which is anticipated to convene in 2015. The Subcommittee recommended at the meeting that SCAG continue to work with HCD to ensure that inclusionary zoning ordinances can be included as part of jurisdiction's housing element to meet its RHNA need. In response to on-going dialogue by former Subcommittee member Hon. Ron Garcia on the possibility of legislation regarding inclusionary zoning, SCAG staff has prepared this staff report which summarizes relevant information and includes an American Planning Association fact sheet on this topic.*

**STRATEGIC PLAN:**  
This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**  
One of the topics discussed by the RHNA and Housing Element Reform Subcommittee at its September 29, 2014 meeting was the request to "reflect the percentage requirements within an inclusionary ordinance as a credit to reduce the RHNA allocation for a jurisdiction or count them as units satisfying the RHNA, whether or not the units are built." As discussed at that meeting, jurisdictions may apply inclusionary zoning ordinances towards their RHNA allocation in their respective housing element, provided that the jurisdiction provides an appropriate analysis of sites and zoning to which the ordinance applies. The opportunity to receive credit for inclusionary zoning in a housing element was confirmed by HCD staff at the Subcommittee's September 29, 2014 meeting.

# REPORT

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As was also discussed at the September 29, 2014 meeting, applying an inclusionary zoning credit during the development of the RHNA allocation introduces a high level of uncertainty since the application of inclusionary zoning is linked to specified zoning, development, and construction of housing units. In many instances an inclusionary zoning ordinance is only tied to development projects of a certain size or in a specific area. Granting a credit during the RHNA allocation process but prior to an appropriate land use analyses cannot be linked directly to an inclusionary zoning ordinance since the RHNA allocation is a representation of total housing need by income category and is not tied to project size or geography below the jurisdictional boundary level.

The Subcommittee approved the SCAG staff recommendation of continuing to work with HCD to ensure that jurisdictions can receive credit for this tool in their housing elements. In addition, HCD staff noted that this topic can be considered as part of its comprehensive statewide housing working group anticipated to convene in 2015. SCAG staff will be actively involved in the working group and will provide the CEHD Policy Committee, Regional Council, and other interested stakeholders with information as it becomes available.

**FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (e.g., stipends, meals, mileage and parking) are included as part of the FY 14-15 General Fund Budget.

**ATTACHMENT:**

Fact sheet on inclusionary zoning, published by the American Planning Association (APA), 2006

# Inclusionary Housing

Providing citizens with opportunities for affordable and decent housing in a positive environment is an essential goal for every community. In the last couple of decades, affordable housing has become a significant issue throughout the country as housing costs have surpassed increases in earnings for not only very low-income families, but also for working-class and lower middle-income households. To remain competitive in a rapidly globalizing economy, communities must have a sufficient supply of affordable housing to meet the needs of a variety of people. Inclusionary housing allows for mixed income communities that provide people with options in housing type as individual lifestyles and incomes change over time.

## INCLUSIONARY HOUSING BASICS

Inclusionary housing is not to be confused with inclusionary zoning. The term inclusionary housing refers to varying strategies for including affordable housing options in new and sometimes existing development. Inclusionary zoning, a type of inclusionary housing, refers to an ordinance binding creation of a percentage of affordable housing to the larger developmental process.

**Who Needs Inclusionary Housing?** Many workers in essential occupations, such as education and law enforcement, are finding they can no longer afford housing in the communities they serve. Meeting the housing needs of the elderly is increasingly difficult, not only due to dwindling municipal resources, but also because low-density zoning limits the supply of affordable housing. Additionally, a growing number of people earn too much to qualify for housing subsidies but not enough to afford a home or an apartment within a reasonable distance of their jobs. Cities across the nation are finding inclusionary housing policies to be a cost-effective way to produce homes for citizens who would otherwise be excluded from the housing market in their own city.

PAS

# QuickNotes

PAS QuickNotes No. 7



American  
Planning  
Association

**How Does Inclusionary Housing Affect the Market?** Some inclusionary housing critics argue that requiring the building of affordable housing adjacent to or within a development of market-rate units will drive up the cost of the market-rate units. However, a large body of research demonstrates that inclusionary housing does not negatively impact overall levels of housing production or consumption, and in some communities, overall housing production increases after passage of inclusionary programs.

## PROGRAMS AND POLICIES

Some jurisdictions use inclusionary zoning ordinances that require developers to produce a certain number of affordable units in order to be granted approval for a market-rate project. Another approach is to designate a trust fund for city-administered affordable housing programs. For example, Sacramento, California, has financed a regional affordable housing trust fund by applying linkage fees to commercial development.

### Voluntary vs. Mandatory.

Voluntary programs seek only to persuade developers in building affordable units by offering incentives such as density bonuses and fee waivers. The hope



Fairfax County Department of Housing and Community Development

*The "Great House", seen here in Fairfax County, VA, is an innovative architectural design concept for affordable housing development. This design concept allows attached units blend in with surrounding detached housing units.*

(Continued on back.)



City of Santa Fe, New Mexico

*A large-scale condominium project in Santa Fe, New Mexico, called Zocalo, consisting of 310 units, of which 31 are Housing Opportunity Program (HOP) units.*

it results in a taking. Some communities grant density bonuses to address the complaint that developers suffer economically by selling or renting nonmarket-rate units. Each unit of affordable housing provided grants a developer either an increase in the size or number of market-rate units that may be sold or rented. Other communities use fee waivers, reductions in site development standards, or expedited review processes to encourage or reward developers who produce new affordable housing.

**Control Periods.** An important concern for securing and maintaining an adequate supply of affordable housing is the length of time that housing is required to remain affordable. While the inclusionary housing policies of some jurisdictions require permanent affordability, others use control periods ranging from 10 years to 30 years. Tools for controlling resale of the unit as affordable housing include deed restrictions, contractual agreements, or covenants that run with land.

## PUTTING INCLUSIONARY HOUSING INTO PRACTICE

**Building Community Support.** Opponents to inclusionary programs may attend public meetings and attempt to persuade officials to back away from mandatory affordable housing legislation. Including stakeholders in the process as early as possible can ease opposition from both neighborhood groups and the development community. A strategy for building broad support is to educate the public about all the reasons that affordable housing is important to the overall economic and social health of the community. A good first step is to help the community recognize that affordable housing is a critical component of a community's infrastructure.

**Design Strategies.** The potential to create diverse neighborhoods is reduced when inclusionary units are segregated from other units through appearance or location. Affordable units built within a market-rate development should be indistinguishable in appearance from market-rate units and should blend in with other housing types. Mandatory design guidelines for inclusionary units may be necessary. Such guidelines might call for minimum unit sizes as well as landscaping and building materials comparable to those used in market-rate units.

**Benefits.** When residents can afford to live near their jobs (a concept known as the "jobs-housing balance"), the community's roadways are likely to be less congested. Public transit systems will be under less pressure to transport people ever-increasing distances. The density bonuses granted to developers make for more compact neighborhoods and help to counterbalance less sustainable, low-density residential growth. Communities with inclusionary housing policies enable people to access decent, affordable housing while producing communities with more economic and racial integration. *Patrick C. Smith* ■

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is that these incentives are enticing enough for developers to include affordable units in new projects without making the provision of such units a requirement. Housing studies conducted in California, Massachusetts, and Washington, D.C., however, show that cities adopting mandatory programs in place of voluntary initiatives have produced more housing for low-income citizens.

**Mandatory housing programs also set a level playing field for developers.** Under the guidelines of a mandatory housing policy, developers know what is required up front and how the community may help them offset the costs associated with building below market-rate units. Some mandatory policies let developers opt out of including affordable units on-site by allowing donations to a housing trust fund or dedications of land for affordable housing at another location. Affordable housing advocates often find these alternatives unacceptable because they do not meet the goal of creating mixed income neighborhoods throughout a community.

**Developer Incentives.** Developer incentives ease opposition to inclusionary policies, thereby reducing the likelihood that an affordable housing program will be opposed on the grounds that



*Inclusionary housing projects should be designed, built and landscaped to look like market-rate housing. Doing so helps to remove the stigma associated with affordable housing as well as maintain community character.*

Fairfax County Department of Housing and Community Development



PAS

# QuickNotes

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# REPORT

**DATE:** March 18, 2015  
**TO:** RHNA and Housing Element Reform Subcommittee  
**FROM:** Ma'Ayn Johnson, Housing & Land Use Planner, 213-236-1975, johnson@scag.ca.gov  
**SUBJECT:** Recap of Calculating Low and Very Low Income Housing Need in RHNA Methodology

**EXECUTIVE DIRECTOR'S APPROVAL:** 

**RECOMMENDED ACTION:**  
For Information Only - No Action Required.

**EXECUTIVE SUMMARY:**  
*SCAG staff provided an overview of different methodologies to determine low and very low income housing need at the March 13, 2014 RHNA and Housing Element Reform Subcommittee meeting. As presented by Staff and discussed by the Subcommittee, the Regional Council adopted a “110%” social equity adjustment to address low income housing allocation for jurisdictions that already have a higher percentage of low income housing in comparison to the county distribution as part of its final RHNA Methodology for both the 4<sup>th</sup> and 5<sup>th</sup> RHNA cycles. At the March 13, 2014 meeting, the Subcommittee recommended to review and consider the methodology as part of the 6<sup>th</sup> RHNA cycle, starting in 2018. At the last Subcommittee meeting, held on September 29, 2014, a Subcommittee member requested that SCAG staff again brief the Subcommittee on this topic.*

**STRATEGIC PLAN:**  
This item supports SCAG’s Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**  
One of the reform topics discussed by the RHNA and Housing Element Reform Subcommittee at its March 13, 2014 meeting considered how low and very-low income units are calculated as part of a RHNA allocation and how to alleviate the lower income allocation for a city that is already disproportionately low-income. At the last Subcommittee meeting, held on September 29, 2014, a Subcommittee member requested that SCAG staff again brief the Subcommittee on the allocation of low and very low income units for jurisdictions that already have a disproportionate amount of low and very low income households.

Overview of SCAG Adopted Methodology  
One of the main objectives of the RHNA plan outlined in Government Code Section 65584(d) is “allocating 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 decennial United States census.” Government Code Section 65584.04(i)(2) adds that the final allocation plan will ensure that each jurisdiction in the region receive an

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allocation of units for low and very low income households. However, State housing law does not specify a particular methodology to address this social equity requirement.

For the 4<sup>th</sup> and 5<sup>th</sup> RHNA cycles, SCAG adopted as part of its methodology what is known as a “110% social equity adjustment.” A 110% social equity adjustment reviews a jurisdiction’s percentage of households by income level in comparison to the county distribution, and adjusts the jurisdiction’s distribution by 110%. An example of how the adjustment is applied is presented below.

In Table 1 below, example City A has a higher percentage of existing very low income households in comparison to its county and a lower percentage of existing above moderate income households than the county distribution.

Table 1		
Household Income Level	City A	County Distribution
Very Low Income	29.50%	25.30%
Low Income	20.30%	15.60%
Moderate Income	19.60%	16.80%
Above Moderate Income	30.50%	42.30%

To calculate the City’s adjusted distribution, the City’s percentage is compared to the county’s percentage, multiplied by 1.10, and then applied to its existing percentage, as outlined in Table 2 below.

Table 2	
Household Income Level	City A Adjusted Allocation
Very Low Income	29.5% - [(29.5%-25.3%) x 110%]
Low Income	20.3% - [(20.3%-15.6%) x 110%]
Moderate Income	19.6% - [(19.6%-16.8%) x 110%]
Above Moderate Income	30.5% - [(30.5%-42.3%) x 110%]

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The results of a 110% social equity adjustment for City A are a lower allocation of low income households than the county distribution and a higher allocation of above moderate income households than the county (Table 3).

Income Category	City A Distribution Before Adjustment	City A Adjusted Distribution	County Distribution
Very Low	29.50%	24.90%	25.30%
Low	20.30%	15.10%	15.60%
Moderate	19.60%	16.50%	16.80%
Above Moderate	30.50%	43.50%	42.30%
Total	100%	100%	100%

### Methodology Options

There are different methodologies to address lower income allocation for a city that is already disproportionately low-income. For example, a RHNA methodology can use lower or higher percentages than were used by SCAG for the 4<sup>th</sup> and 5<sup>th</sup> RHNA cycles, use different formulas, or local planning factors to address this issue. The Association of Bay Area Governments (ABAG), a COG covering nine counties in the San Francisco Bay Area, considered factors such as transit coverage, employment data, and building permits issued. Under ABAG’s methodology, jurisdictions in non-infill opportunity areas that have a high number of jobs, strong transit networks, and permitted a low number of affordable units during the last RHNA cycle received higher allocations.

The San Diego Association of Governments (SANDAG), a COG covering jurisdictions of San Diego County, considered the capacity of each jurisdiction. Under this methodology, SANDAG measured the capacity of each jurisdiction and redistributed lower income units from where the established threshold was exceeded (20 dwelling units per acre) to jurisdictions that had remaining capacity.

After hearing the topic discussion at its March 13, 2014 meeting, the Subcommittee recommended that this topic be revisited during the development of SCAG’s 6<sup>th</sup> cycle RHNA methodology beginning in 2018 when updated data can further inform the discussion. A clarification in State housing law was not recommended since each COG can currently develop its own methodology that may be appropriate for its own jurisdictions, but may not be appropriate for other COGs.

### **FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (e.g., stipends, meals, mileage and parking) are included as part of the FY 14-15 General Fund Budget.

### **ATTACHMENTS:**

None

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# REPORT

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**DATE:** March 18, 2015

**TO:** RHNA and Housing Element Reform Subcommittee

**FROM:** Huasha Liu, Director, Land Use and Environmental Planning, 213-236-1838, liu@scag.ca.gov

**SUBJECT:** Final Report summarizing the Subcommittee's Prior Recommendations Relating to RHNA and Housing Element Reform Topics

**EXECUTIVE DIRECTOR'S APPROVAL:** 

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**RECOMMENDED ACTION:**

Review and affirm the recommendations made in the prior four meetings of the RHNA and Housing Element Reform Subcommittee regarding RHNA and housing element reform topics for further review by the Community, Economic and Human Development (CEHD) Committee and recommended approval by the Regional Council.

**EXECUTIVE SUMMARY:**

*The RHNA and Housing Element Reform Subcommittee has reviewed various issues relating to RHNA and housing elements and over its past four (4) meetings, has made recommendations to address these issues. The topics of reform covered (1) the RHNA determination process; (2) RHNA allocation development for local jurisdictions; (3) the revision request and appeals processes; and (4) housing element development and funding incentives. SCAG staff has compiled these recommendations into this staff report, and will be recommended to the Community, Economic, and Human Development (CEHD) Policy Committee for further review and approval.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

**BACKGROUND:**

At its prior meetings, held on October 23, 2013, January 23, 2014, March 13, 2014, May 29, 2014, and September 29, 2014, respectively, the Subcommittee reviewed a matrix of topics for discussion and possible action related to RHNA and housing element reform. The purpose of the Subcommittee is to discuss and provide guidance to SCAG staff on these topics. The topics were raised by a variety of stakeholders, including Subcommittee members, local jurisdictions, other interested groups, as well as SCAG staff who identified a few items for discussion.

To allow for focused discussions and meeting efficiency, the Subcommittee approved its meeting schedule by topic area. Each Subcommittee meeting focused on different areas of the RHNA and Housing Element processes in order to maximize participation on the topics. Topics were compiled in a matrix format and arranged by the potential avenue for reform. Section A focused on possible changes done internally at

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SCAG; Section B focused on reform by coordination with the California Department of Housing and Community Development (HCD); and. Section C included reform topics that would need to be addressed through legislation. The matrix cells reference the version dated March 3, 2014.

To maximize time allotted for discussion, meeting topics were arranged by focus area rather than by avenue for reform. For example, topics focused on the development of the RHNA allocation were scheduled for review and discussion at meeting #3 while topics focused on housing element development were scheduled for meeting #5. Staff provided the Subcommittee with background information on each topic of reform and its recommended actions and the topics were discussed and acted upon by the Subcommittee after such discussion. Mr. Glen Campora, Assistant Deputy Director from the HCD, which is the State agency responsible for providing councils of governments such as SCAG its regional housing need determination as part of the RHNA process and reviewing updates of local housing elements by jurisdictions, participated in all Subcommittee meetings and provided significant information regarding the discussion topics.

Recommendations made by the Subcommittee from its prior meetings have been compiled in the following section and are reflected in the updated matrix (see Attachment 1) for final review and affirmation by the Committee which will thereafter be forwarded to CEHD for review and approval. If the Subcommittee affirms its prior recommended actions, SCAG staff will present the Subcommittee's final report to the CEHD Committee at its next upcoming meeting for further recommendation of approval from the Regional Council, anticipated in Spring 2015.

## Actions from Meeting 2 (January 23, 2014): SCAG-related administrative issues pertaining to the RHNA process; RHNA regional determination process

1. Item A5: Explore the feasibility of having RHNA Subcommittee meetings webcasted live during the 6th cycle RHNA process, similar to the webcasting technology used for Regional Council meetings.
2. Item A10: Include in the Subcommittee's overall recommendations a statement that SCAG staff will continue to notify planning directors, city managers, and other stakeholders of RHNA-related material and meetings, including having a designated point of contact similar to the local input communication protocol established for the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) process. The jurisdiction's point of contact should be the same individual designated for the 2016 RTP/SCS to provide for historical reference and avoid discussion with two separate individuals; in addition, SCAG staff will have a process in place to confirm that the jurisdiction's contact is still there.
3. Item A3: Include in the Subcommittee's overall recommendations a statement that SCAG will continue to make funding available for jurisdictions that accept RHNA delegation during the 6<sup>th</sup> cycle RHNA process, based on available resources and policy discussions of the Subcommittee, CEHD Policy Committee, and Regional Council.
4. Item B3: Continue dialogue and seek official confirmation with HCD on the issue of exclusion of Tribal land growth from regional RHNA allocations.
5. Item B4: Continue dialogue and collaborate with HCD and the staff of the appropriate committee of the State Legislature to include in a future Omnibus Bill a technical correction to the existing RHNA law with respect to regional population growth. SCAG recommends that the 3% allowable difference

in population projections during the regional determination process be applied only to the total population.

**Note: At its January 23, 2014 meeting, the RHNA and Housing Element Reform Subcommittee recommended that SCAG staff explore whether a technical amendment relating to this topic could be included in an Omnibus Bill for 2014. This amendment is now expected to be considered as part of HCD’s upcoming comprehensive Statewide reform efforts. Thus, SCAG staff recommends that the previous Subcommittee action be amended to allow staff to seek this amendment in a future Omnibus Bill.**

Actions from Meeting 3 (March 13, 2014): RHNA allocation development for local jurisdictions

6. Item A7: SCAG staff will continue to follow the communication protocols established in the current local review and input process and work with the RHNA Subcommittee, CEHD Committee, and Regional Council to ensure full participation in the process.
7. a. Item A1: Establishing overarching principles for the 6<sup>th</sup> RHNA cycle is unnecessary. Incorporate the bottom-up local review process used in most recent RTP/SCS and existing practice of accepting local input as basis of RHNA development (for example, see Attachment 2)<sup>1</sup>.  
b. Item A8: Continue to conduct extensive outreach with all the jurisdictions and meet with them to solicit their input and review and ensure the accuracy of land use maps and resolving potential discrepancies.  
c. Item B9: Facilitate discussions as necessary with the HCD to ensure that inclusionary zoning ordinances can continue to be accounted for in updates of local housing elements to meet assigned RHNA allocation.
8. Item A2: SCAG staff will continue to encourage and facilitate the RHNA trade and transfer process and develop a sample agreement template during the 6<sup>th</sup> cycle RHNA process. Language for the trade and transfer policy should be revisited during the development of the 6<sup>th</sup> cycle RHNA to ensure flexibility for interested parties and to continue consistency with State housing law objectives and laws.
9. Item B5: Ensure that jurisdictions are aware of data submission timelines during the development of the 6<sup>th</sup> cycle RHNA so that circumstances such as general plan updates are incorporated into local input as needed.
10. a. Items A11 and C8: Review different formulas and factors to determine the appropriate methodology to address the projected distribution of very-low and low income housing for overburdened communities during the development of the 6<sup>th</sup> cycle RHNA, beginning in 2018.

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<sup>[1]</sup> The acceptance of local input as the basis of the jurisdiction-level growth forecast and for RHNA purposes was the adoption of the 2012-2035 RTP/SCS by the Regional Council on April 4, 2012, as recommended by the Joint Policy Committee on March 21, 2012. The staff report for the April 4, 2012 Regional Council meeting and corresponding resolution are attached to this staff report.

b. Item A12: The accuracy of vacancy credit application will be addressed during the 6<sup>th</sup> cycle RHNA process, beginning in 2018, if the credit is granted again for future cycles.

## Actions from Meeting 4 (May 29, 2014): Revision request and appeals processes

11. Item A4: The 6<sup>th</sup> cycle RHNA Subcommittee charter will continue to include the option for the appointment of ex-officio external stakeholders to the 6<sup>th</sup> Cycle RHNA Subcommittee.
12. Item A9: In preparation of the 6<sup>th</sup> cycle RHNA beginning in 2018, SCAG staff will provide a sample packet as a guideline for revision requests and appeals along with examples of past applications that resulted in a granted appeal during the 5<sup>th</sup> cycle RHNA update. Additionally, SCAG staff will continue to educate jurisdictions on the difference between revision requests and appeals.
13. Item A6: SCAG staff will continue to meet the legal requirements in conducting the revision and appeal processes for public notice, and providing as much time as possible for local jurisdictions to prepare, file and have adequate lead time to gather information and prepare presentations, accounting for the number of revision request and appeal submissions received and staff resources available.
14. Item C1: SCAG staff will continue to follow the separate revision request and appeal processes currently outlined in the state housing law.
15. Item B6: SCAG staff will share the information obtained from a recent survey on “significant and unforeseen change in circumstances” affecting a jurisdiction’s draft RHNA allocation with the HCD and other MPOs so that HCD may in turn develop possible guidance on the matter.

***Note: SCAG staff presented initial survey results at the September 29, 2014 Subcommittee meeting and has updated the survey results, which are included as an attachment to this staff report.***

## Actions from Meeting 5 (September 29, 2014): Housing element development and review; funding and incentives

16. Item B2: Recommend that HCD consider formalizing the streamlining review policy for existing housing needs data (similar to the process used after completion the 5<sup>th</sup> cycle RHNA) that allowed COGs such as SCAG to develop pre-approved data sets for use by jurisdictions in development the existing housing needs portion of the local housing element update.
17. Item B9: Continue to support that HCD allow for inclusionary zoning to be counted toward meeting a jurisdiction’s future housing needs in its housing element.
18. Item C6: SCAG staff will facilitate discussion between HCD and jurisdictions regarding community design in housing element review and to continue to allow for jurisdictions to use tools such as inclusionary zoning and affordable housing overlays to meet their respective future housing need.

19. Items B8 and C2: SCAG staff will continue to provide information to jurisdictions on the RHNA process and housing element update timelines and facilitate discussion with HCD for jurisdictions that need additional time for housing element implementation.
20. Items B1, B10, C4 and C5: SCAG staff will continue to facilitate discussion between HCD and jurisdictions to address default density options when determining appropriate sites for accommodating low and very-low income households.
21. Item B11: SCAG staff recommends that State housing law remain unchanged in regard to transitional and supportive housing planning requirements, and for SCAG staff to facilitate discussions between HCD and jurisdictions in need of housing element assistance.
22. Item B7: SCAG staff will continue the dialogue with HCD and other State agencies to find opportunities for State-level funding for jurisdictions to assist in the development of housing elements. Moreover, SCAG will continue to assist its local jurisdictions to obtain Cap-and-Trade funding to support Sustainable Communities Strategy (SCS) implementation, including planning for and supplying affordable housing.
23. Items D1 and D2: SCAG will continue to coordinate with HCD in an effort to ensure that jurisdictions with compliant housing elements continue to receive streamlined review and funding opportunities as available. Moreover, SCAG will work with the State and our member jurisdictions and stakeholders as part of the Affordable Housing and Sustainable Communities (AHSC) program and identify additional funding opportunities for jurisdictions that build and preserve affordable housing. SCAG will also continue its efforts in facilitating between HCD and local jurisdictions to ensure housing element compliance.
24. Item C7: SCAG will continue to provide information on CEQA streamlining to SCAG Policy Committees and stakeholders as additional information becomes available, and continue to discuss the topic as part of on-going CEQA modernization efforts.

## **FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee, along with additional related direct costs (e.g., stipends, meals, mileage and parking), are included as part of the FY 14-15 General Fund Budget.

## **ATTACHMENTS:**

1. Matrix of RHNA and Housing Element Reform Topics
2. Updated Report on Change in Circumstance Survey Results
3. Staff Report to the SCAG Regional Council, dated April 4, 2012 on Proposed Final 2012-2035 RTP/SCS, which integrates local input as the basis for the Integrated Growth Forecast, and Resolution 12-538-2, which approves the 2012-2035 RTP/SCS

**Regional Housing Needs Assessment (RHNA) and Housing Element Reform Topic Outlook Matrix**

The following identifies matters that were raised as part of the 5<sup>th</sup> cycle RHNA process, including suggested ideas for potential RHNA or Housing Element reform, SCAG staff’s initial response and/or recommendation, and the recommendations by RHNA and Housing Element Reform Subcommittee with respect to the specific matter. The matrix is separated into three categories: (A) topics that involve a possible “SCAG process refinement”; (B) topics that involve possible “HCD Administrative changes” and (C) topics that involve possible “Legislative changes.” A final category, section D, has been added to identify topics related to RHNA and housing element reform but involve programs and policies outside of state housing law. Some of the recommendations noted below will require further action beyond the SCAG Regional Council, including discussion and possible action by other stakeholders, such as the State Department of Housing and Community Development (HCD), other Council of Governments (COGs), housing advocates, and the California League of Cities, as appropriate. SCAG appreciates that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to the continuing collaboration with HCD staff.

SCAG staff has prepared this topic matrix to provide a concise summary pf the topics discussed with the RHNA and Housing Element Reform Subcommittee (topics not listed in priority order).

**A) SCAG Process Refinement**

The following are topics that may involve possible changes to the current SCAG RHNA process. It should also be noted that many of these topics are best addressed as part of the 6<sup>th</sup> cycle RHNA process though SCAG staff recognizes the importance of identifying these issues at this time.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation	Recommendation by the RHNA and Housing Element Reform Subcommittee
A1	RHNA	Procedures to develop overarching principles regarding the local input process should be established. Some suggested reforms include a formula or method to manage local input. The process should be simplified as well. (SCAG Staff; Ojai; Sierra Madre; Calabasas, Oxnard; County of Ventura)	During the 5 <sup>th</sup> RHNA cycle, local input was accepted by SCAG and used as the basis to develop projected household growth.	Develop a procedure to establish overarching principles and guidelines on how to incorporate local input in the RHNA allocation methodology. The exact principles and guidelines, for example, how to incorporate local input and AB 2158 factors (including, but not limited to jobs-housing balance, proximity to transit, and open space), should be discussed during the 6 <sup>th</sup> cycle RHNA process by the appointed RHNA Subcommittee. Recommend to be revisited and implemented before 6 <sup>th</sup> cycle RHNA process beginning in 2018. For continual education for the Regional Council, SCAG will provide regular updates on the RHNA process in between cycles.	Establishing overarching principles for the 6 <sup>th</sup> RHNA cycle is unnecessary. Incorporate the bottom-up local review process used in most recent RTP/SCS and existing practice of accepting local input as basis of RHNA development. <b><i>(Recommendation made by Subcommittee on 03/13/14).</i></b>
A2	RHNA	SCAG should encourage and facilitate “appropriate” trade and transfer. Make facilitation services available to jurisdictions that elect to conduct a Trade and Transfer process and provide a sample agreement	“Trade and transfer” is allowed by state housing law and SCAG has developed appropriate guidelines (see Trade and Transfer Guidelines).	SCAG staff will engage the Subcommittee on further discussion of this process and will continue to encourage and facilitate the trade and transfer process. SCAG staff is also open to development a sample agreement template for the 6 <sup>th</sup> cycle RHNA process.	SCAG staff will continue to encourage and facilitate the RHNA trade and transfer process and develop a sample agreement template during the 6 <sup>th</sup> cycle RHNA process. Language for the trade and transfer policy should be revisited during the

		template. (County of Ventura; Brea)			development of the 6 <sup>th</sup> cycle RHNA to ensure flexibility for interested parties and to continue consistency with State housing law objectives and laws. <b><i>(Recommendation made by Subcommittee on 03/13/14).</i></b>
A3	RHNA	Identify adequate funding sources for counties to distribute RHNA numbers internally rather than rely on SCAG to conduct that process. (County of Ventura)	Funding sources were available during the RHNA process from the SCAG General Fund to jurisdictions choosing to accept RHNA delegation.	Based on available resources and policy discussions of the Subcommittee and Regional Council, SCAG will continue to make funding available for jurisdictions that accept RHNA delegation.	Include in the Subcommittee’s overall recommendations a statement that SCAG will continue to make funding available for jurisdictions that accept RHNA delegation during the 6 <sup>th</sup> cycle RHNA process, based on available resources and policy discussions of the Subcommittee, CEHD Policy Committee, and Regional Council. <b><i>(Recommendation made by Subcommittee on 01/23/14).</i></b>
A4	RHNA	A neutral third party should hear RHNA revision request and appeals. (Ojai; Calabasas)	Revision requests and appeals were reviewed and decided by the RHNA Subcommittee/RHNA Appeals Board, which was comprised of SCAG Regional Council and Policy Committee members.	The pros and cons with each approach will be described in a staff report to the Subcommittee for discussion. Recommend to be revisited and implemented during 6 <sup>th</sup> cycle RHNA process beginning in 2018.	The 6 <sup>th</sup> cycle RHNA Subcommittee charter will continue to include the option for the appointment of ex-officio external stakeholders to the 6 <sup>th</sup> Cycle RHNA Subcommittee. <b><i>(Recommendation made by Subcommittee on 05/29/14).</i></b>
A5	RHNA	Utilize teleconference technology to allow for participation from all counties in SCAG to allow for participation of non-Subcommittee members. (County of Ventura)	The RHNA Subcommittee/Appeals Board charter did not make teleconferencing available to the general public for meetings. Videoconferencing was available for most meetings.	There are pros and cons with each approach as well as Brown Act and technology limitations and costs, and will be described in a staff report to the Subcommittee. Recommend to be revisited and implemented during 6 <sup>th</sup> cycle RHNA process beginning in 2018.	Explore the feasibility of having RHNA Subcommittee meetings webcasted live during the 6th cycle RHNA process, similar to the webcasting technology used for Regional Council meetings. <b><i>(Recommendation made by Subcommittee on 01/23/14).</i></b>

A6	RHNA	Distribute staff responses to a revision request or appeal at least one week prior to the hearing so that adequate time is available to review staff comments. (County of Ventura)	Staff responses to revision requests and appeals were provided prior to the public hearings pursuant to Brown Act (i.e., at least 72 hours prior to hearing).	Staff will continue to meet the legal requirements for public review and will also provide as much additional time as possible accounting for number of responses and staff resources. This applies to both the revision request and appeals processes.	SCAG staff will continue to meet the legal requirements in conducting the revision and appeal processes for public notice, and providing as much time as possible for local jurisdictions to prepare, file and have adequate lead time to gather information and prepare presentations, accounting for the number of revision request and appeal submissions received and staff resources available. <b><i>(Recommendation made by Subcommittee on 05/29/14).</i></b>
A7	RHNA	Identify a preliminary draft RHNA distribution earlier in the process, and provide a formal comment and response system to ensure potential issues with a proposed RHNA distribution are identified and resolved early in the process. (County of Ventura)	The opportunity to provide input to the growth projections was made available to all jurisdictions prior to the distribution of the Draft RHNA. Comments provided to staff were responded to and logged in an internal system.	SCAG staff has provided such preliminary information timely to all jurisdictions in the SCAG region. SCAG will continue to do so for the 6 <sup>th</sup> cycle RHNA process and encourages the participation of all jurisdictions.	SCAG staff will continue to follow the communication protocols established in the current local review and input process and work with the RHNA Subcommittee, CEHD Committee, and Regional Council to ensure full participation in the process. <b><i>(Recommendation made by Subcommittee on 03/13/14).</i></b>
A8	RHNA	Prior to the next RHNA process, assign technical staff to work with local jurisdictions to develop accurate land use data maps and forecasting models. When necessary, arrange a meeting between local agencies and SCAG managers to resolve issues. (County of Ventura)	SCAG forecast and data staff surveyed local input from all jurisdictions and met with individual jurisdictions on projected household growth and to gather information on local land use. SCAG staff conducted further outreach to jurisdictions that did not provide an initial response to surveys. The iterative process was conducted over the course of two years.	SCAG staff conducted extensive outreach with all jurisdictions and met with them to survey for local input not only for the purpose of development accurate land use maps but also to resolve potential challenges. SCAG will continue to do so for the 6 <sup>th</sup> cycle RHNA process and encourages the participation of all jurisdictions.	Continue to conduct extensive outreach with all the jurisdictions and meet with them to solicit their input and review and ensure the accuracy of land use maps and resolving potential discrepancies. <b><i>(Recommendation made by Subcommittee on 03/13/14).</i></b>



Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation	Recommendation by the RHNA and Housing Element Reform Subcommittee
A9	RHNA	Provide a template for submittals and/or examples of submittals that meet SCAG expectations. (County of Ventura)	Although general guidelines were available, specific templates or examples were not published for the revision request or appeals processes. An appeal application that resulted in a granted appeal was provided to a jurisdiction on request.	SCAG staff will provide a sample packet as a guideline for revisions requests and appeals and will provide examples of past applications that resulted in a granted appeal during the preparation of the 6 <sup>th</sup> cycle RHNA.	In preparation of the 6th cycle RHNA beginning in 2018, SCAG staff will provide a sample packet as a guideline for revision requests and appeals along with examples of past applications that resulted in a granted appeal during the 5 <sup>th</sup> cycle RHNA update. Additionally, SCAG staff will continue to educate jurisdictions on the difference between revision requests and appeals. <b><i>(Recommendation made by Subcommittee on 05/29/14).</i></b>
A10	RHNA	Direct communications to the Planning Department (or equivalent) or more specifically to the Planning Director or assigned point-of-contact for the RHNA process. (County of Ventura)	Public notices and other mass correspondence were provided via email or mail to Planning Directors, in addition to City Managers/County Administrators and other stakeholders.	SCAG has and will continue to address public notices and other mass correspondence via email or mail to Planning Directors, in addition to City Managers/County Administrators and other stakeholders.	Include in the Subcommittee’s overall recommendations a statement that SCAG staff will continue to notify planning directors, city managers, and other stakeholders of RHNA-related material and meetings, including having a designated point of contact similar to the local input communication protocol established for the 2016-2040 RTP/SCS process. The jurisdiction’s point of contact should be the same individual designated for the 2016 RTP/SCS to provide for historical reference and avoid discussion with two separate

					individuals; in addition, SCAG staff will have a process in place to confirm that the jurisdiction’s contact is still there. <b>Recommendation made by Subcommittee on 01/23/14).</b>
A11	RHNA	Remove the “110% adjustment” component of the RHNA methodology, which will eventually result in a result in a realignment of affordable housing concentrations across the SCAG region and fails to comport with real estate market realities. (Calabasas)	Government Code Section 65584 (d)(4) states that the objectives of the RHNA is to allocate a lower proportion of housing need by income category to disproportionately affected communities, but does not specify a particular methodology to address the issue. The 110% adjustment toward the county distribution was adopted by the SCAG Regional Council as part of both the 4 <sup>th</sup> and 5 <sup>th</sup> cycle methodologies to address the state law requiring the allocation of a lower proportion of housing need by income category to disproportionately affected communities. For jurisdictions with a high concentration of low income households, a 110% adjustment toward the county distribution would result in a lower percentage of low income households compared to the county percentage. For jurisdictions with a low concentration of	Because the RHNA process allows for a COG to develop and adopt its own methodology to address disproportionately affected jurisdictions, staff recommends that this issue be revisited during the development of the 6 <sup>th</sup> RHNA cycle beginning in 2018. An overall approach should be folded into the future discussion of overarching principles for the 6 <sup>th</sup> cycle RHNA Plan. SCAG can survey adjustment methodologies from other COGs during the development of the 6 <sup>th</sup> RHNA cycle methodology to further inform the discussion.	Review different formulas and factors to determine the appropriate methodology to address the projected distribution of very-low and low income housing for overburdened communities during the development of the 6 <sup>th</sup> cycle RHNA, beginning in 2018. <b>Recommendation made by Subcommittee on 03/13/14).</b>

			low income households, a 110% adjustment would result in a higher percentage of low income households compared to the county percentage.		
A12	RHNA	Ensure accuracy of the vacancy credit application. (Calabasas; Colton)	HCD granted a vacancy credit adjustment to its regional housing need determination to address the economic downturn. SCAG applied a vacancy credit to a number of jurisdictions based on its adopted 5 <sup>th</sup> cycle RHNA methodology and data from the 2010 U.S. Census.	SCAG staff recommends that this issue be revisited during the development of the 6 <sup>th</sup> RHNA cycle beginning in 2018 if the credit is granted by HCD again for the 6 <sup>th</sup> RHNA cycle. Any particular vacancy credit is dependent on market conditions at the time.	The accuracy of vacancy credit application will be addressed during the 6 <sup>th</sup> cycle RHNA process, beginning in 2018, if the credit is granted again for future cycles. <b>Recommendation made by Subcommittee on 03/13/14).</b>

**B) HCD Administrative Changes**

The following are topics that may involve possible administrative changes by HCD and therefore, will require HCD’s approval for implementation. It is SCAG staff’s intent to coordinate and work with HCD staff on resolving these matters and have them participate in Subcommittee meetings when these topics are discussed. SCAG appreciates that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to continuing collaboration with HCD staff.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD	Recommendation by the RHNA and Housing Element Reform Subcommittee
B1	Housing Element	There should be a range of default densities established for jurisdictions to determine appropriate densities for affordable housing units. Circumstances such as mixed use projects should be considered. (Ontario; Ojai; Brea)	A jurisdiction can choose to use a default density instead of preparing its own analysis to determine unit affordability. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than 25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.	<p>SCAG staff recommends that HCD consider a range for default density rather than a single number, which will provide flexibility for local jurisdictions.</p> <p>Staff also recommends working with HCD to establish a separate default density range for mixed-use projects.</p> <p>HCD Response: HCD is generally supportive but clarified that jurisdictions are not required to use the default density in housing elements and can instead provide an analysis of affordability. Potential change regarding optional default density would require legislative change.</p>	<p>SCAG staff will continue to facilitate discussion between HCD and jurisdictions to address default density options when determining appropriate sites for accommodating low and very-low income households.</p> <p><b>Recommendation made by Subcommittee on 09/29/14).</b></p>

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD	Recommendation by the RHNA and Housing Element Reform Subcommittee
B2	Housing Element	HCD should formalize the streamlining review policy that was applied during the 5 <sup>th</sup> cycle regarding existing housing needs data. The streamline review allowed for local jurisdictions to meet the existing housing needs data requirement in its housing element if they used data provided by the COG which was based on the existing housing needs data listing as described in state housing law and pre-approved by HCD. (SCAG staff)	As part of the streamlining review process for the 5 <sup>th</sup> housing element cycle, HCD pre-approved the use of SCAG's existing housing need data set, which meets existing housing need data requirements in the preparation of local housing element updates. SCAG voluntarily made this data available on-line for local jurisdictions in a user friendly and interactive format.	<p>HCD should consider formalizing the streamlining review policy for existing housing needs data used in the 5<sup>th</sup> cycle that allowed COGs such as SCAG to develop pre-approved data sets for use by jurisdictions in developing their local housing element update.</p> <p>HCD response: HCD is in support of providing more efficient element update and review methods. Stakeholder input will be sought in formalizing policy. Housing advocates have expressed some concerns with streamline reviews and shorter timeframes to comment to jurisdiction and HCD. More time is needed for HCD and stakeholders to evaluate streamline results and jurisdiction element implementation and compliance issues. Some discussions may get underway around mid-2014.</p>	<p>Recommend that HCD consider formalizing the streamlining review policy for existing housing needs data (similar to the process used after completion the 5<sup>th</sup> cycle RHNA) that allowed COGs such as SCAG to develop pre-approved data sets for use by jurisdictions in development the existing housing needs portion of the local housing element update.</p> <p><b>Recommendation made by Subcommittee on 09/29/14).</b></p>
B3	RHNA	Projected growth from Tribal lands should be excluded from jurisdictional	The 4 <sup>th</sup> RHNA cycle regional allocation included growth on Indian Tribal lands; the	Tribal lands are sovereign nations and jurisdictions do not have land use authority over Tribal lands.	Continue dialogue and seek official confirmation with HCD on the issue of

		RHNA allocation. (Coachella Valley Association of Governments)	5 <sup>th</sup> RHNA cycle regional allocation excluded growth on Tribal lands, per determination by HCD.	<p>Accommodation or exclusion of future housing need generated by Tribal lands is not currently specified in state housing law and is subject to HCD determination. A formal HCD policy specifying exclusion of projected growth on Tribal Lands is recommended.</p> <p>HCD response: HCD agreed with the assessment that Tribal lands are sovereign nations and that jurisdictions do not have land use authority over those lands. HCD expressed general agreement with the staff recommendation..</p>	<p>exclusion of Tribal land growth from regional RHNA allocations.</p> <p><b>Recommendation made by Subcommittee on 01/23/14).</b></p>
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Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD	Recommendation by the RHNA and Housing Element Reform Subcommittee
B4	RHNA	The 3% allowable difference between the DOF and COG population projection during the HCD and COG consultation process should be applied to the total population rather than the growth. (SCAG staff)	State housing law does not define whether the 3% allowable difference between the COG regional projection forecast and DOF projection applies to growth or total.	<p>SCAG staff continues to apply the 3% allowable difference to the total population rather than to the growth.</p> <p>HCD response: HCD agreed with SCAG staff assessment that a single threshold would be adequate and noted that a technical amendment could potentially be included in 2014 legislation.</p>	<p>Continue dialogue and collaborate with HCD and staff of the appropriate committee of the State Legislature to include in a future Omnibus Bill a technical correction to the existing RHNA law with respect to regional population growth. SCAG recommends that the 3% allowable difference in population projections during the regional determination process be applied only to the total population. <b>Recommendation made by Subcommittee on 01/23/14).</b></p>

B5	RHNA	General Plan updates in progress should be considered during the local input process to SCAG as well as in the final RHNA determination. (Oxnard)	SCAG continued to accept local input from jurisdictions on projected household growth until the adoption of the final RHNA Methodology. The 5 <sup>th</sup> cycle RHNA Methodology was adopted 11 months prior to the adoption of the Final RHNA allocation Plan.	A jurisdiction can coordinate a general plan update with the local input process for developing the SCAG RHNA projections, but the RHNA process must have a determined cutoff date for local input in order to consistently apply the final RHNA Methodology to the draft RHNA allocation for all jurisdictions. SCAG staff will facilitate a discussion by the Subcommittee regarding the timeline for submission of local data.	Ensure that jurisdictions are aware of data submission timelines during the development of the 6 <sup>th</sup> cycle RHNA so that circumstances such as general plan updates are incorporated into local input as needed. <b>Recommendation made by Subcommittee on 03/13/14).</b>
B6	RHNA	The term “change in circumstance” should be defined so as to better understand this as a basis for an appeal to the draft RHNA allocation. (SCAG staff)	State housing law does not provide a definition of what situation or challenge would qualify as a “change in circumstance.”	SCAG staff proposes that affected jurisdictions work with COGs in a bottom-up process to develop proposed examples of the term “change in circumstance” and engage HCD in providing a clear definition and examples of the term.  HCD response: HCD expressed interest in working with COGs and local jurisdictions in developing a survey to develop examples on what would constitute a change in circumstance and how housing demand could potentially be impacted.	SCAG staff will share the information obtained from recent survey on “significant and unforeseen change in circumstances” affecting a jurisdiction’s draft RHNA allocation with the HCD and other MPOs so that HCD may in turn develop possible guidance on the matter. <b>Recommendation made by Subcommittee on 05/29/14).</b>

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD	Recommendation by the RHNA and Housing Element Reform Subcommittee
B7	Housing Element	There should be state funding for the development of RHNA and housing elements since they are statewide mandates for jurisdictions. (Oxnard)	No specific state funding is available for jurisdictions to update local housing elements.	State law provides that SCAG can set fees for the development of the RHNA. SCAG charges its non-member jurisdictions to develop RHNA, but does not charge member jurisdictions given that SCAG’s work on RHNA development is funded primarily through the SCAG General Fund which is comprised largely of SCAG member dues. For housing element related costs, SCAG recommends that direct funding to jurisdictions from the state be discussed by the Subcommittee.	SCAG staff will continue the dialogue with HCD and other State agencies to find opportunities for State-level funding for jurisdictions to assist in the development of housing elements. Moreover, SCAG will continue to assist its local jurisdictions to obtain Cap-and-Trade funding to support Sustainable Communities Strategy (SCS) implementation, including planning for and supplying affordable housing. <b>Recommendation made by Subcommittee on 09/29/14).</b>
B8	Housing Element	The housing element zoning implementation timeframe is unrealistic and there should be a hardship process for more time with demonstrated progress. (Oxnard)	Zoning changes corresponding to housing element updates must be completed in a specific time frame, (generally three years after a housing element is adopted).	Staff will relay individual concerns regarding the zoning implementation timeframe to HCD.  HCD response: Changes regarding zoning implementation timeframes and extensions cannot be addressed administratively and would require legislative change.	SCAG staff will continue to provide information to jurisdictions on the RHNA process and housing element update timelines and facilitate discussion with HCD for jurisdictions that need additional time for housing element implementation. <b>Recommendation made by Subcommittee on 09/29/14).</b>
B9	RHNA/Housing Element	Reflect the percentage requirements within an inclusionary ordinance as a credit to reduce the RHNA allocation for a jurisdiction or count them as units satisfying the RHNA, whether or not the units are built. (Brea; County of Ventura)	Currently SCAG does not apply a RHNA allocation credit to jurisdictions with inclusionary zoning ordinances. Jurisdictions may apply inclusionary zoning ordinances towards their RHNA allocation in their respective housing element by either an analysis of appropriate zoning or a site analyses	Jurisdictions may currently apply inclusionary zoning ordinances toward satisfying their RHNA need once a project is approved, permitted, or constructed. In regard to a RHNA allocation credit, the allocation represents planning for future housing need while an inclusionary zoning ordinance is a requirement on the construction of housing units. Applying the credit during the development of the RHNA	Facilitate discussions as necessary with the HCD to ensure that inclusionary zoning ordinances can continue to be accounted for in updates of local housing elements to meet assigned RHNA allocation. Continue to support that HCD allow for inclusionary zoning to be counted toward meeting a jurisdiction’s future housing needs in its housing element. <b>Recommendations made by Subcommittee on 03/13/14 and</b>

			for pending, approved, permitted or constructed development.	allocation places a high level of uncertainty since the application of inclusionary zoning is linked to specified zoning, development, and construction.	<b>09/29/14).</b>
B10	Housing Element	Parcels zoned as mixed-use should count toward accommodation of the RHNA allocation. (Calabasas)	Jurisdictions may count planned units designated in mixed-use areas toward their RHNA allocation provided that they provide an analysis of unit affordability for the appropriate income group.	SCAG will continue working with HCD to ensure that units designated in mixed-use areas can be counted in housing elements toward meeting a jurisdiction’s RHNA allocation.	SCAG staff will continue to facilitate discussion between HCD and jurisdictions to address default density options when determining appropriate sites for accommodating low and very-low income households. <b>Recommendation made by Subcommittee on 09/29/14).</b>

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Staff Proposal for Discussion with HCD	Recommendation by the RHNA and Housing Element Reform Subcommittee
B11	Housing Element	Currently during housing element review, transitional and supportive housing is treated as typical single-family or multi-family housing. Transitional and supportive housing should be treated under the same requirements as a residential care facility, group home, or boarding home, since transitional/supportive housing does not necessarily function in the same way as other traditional residential uses, for example when social services are being provided on-site(Consultant)	Government Code Section 65583(a)(5) requires that housing elements demonstrate that transitional housing and supportive housing are considered a residential use and subject to only those restrictions that apply to other residential dwellings of the same type in the same zone.	Transitional and supportive housing provide social and other services, often in institutional settings, similar to residential care facilities or boarding homes. Because they function differently from typical single- or multi-family housing units and often provide on-site social services, there may be justification for subjecting them to different requirements. SCAG staff will raise this topic with HCD.	SCAG staff recommends that State housing law remain unchanged in regard to transitional and supportive housing planning requirements, and for SCAG staff to facilitate discussions between HCD and jurisdictions in need of housing element assistance. <b>Recommendation made by Subcommittee on 09/29/14).</b>



**C) Legislative Changes**

The following are topics that may involve possible legislative proposals which, by their nature, will require input from various parties beyond HCD. Stakeholders include SCAG’s Legislative, Communications and Membership Committee (LCMC), HCD and other interested parties such as the League of California Cities, housing advocates, and other COGs/MPOs, as appropriate. Legislative changes require LCMC review before Regional Council action and require legislation sponsorship. It is SCAG staff’s intent to coordinate and work with HCD staff on resolving the following topics and have them participate in Subcommittee meetings when these matters are discussed. SCAG appreciates that HCD is committed to working with SCAG to maximize opportunities for RHNA and housing element administrative changes, and we look forward to the continuing collaboration with HCD staff in this regard. Legislative changes are the last resort if the identified challenges cannot be addressed through HCD administrative changes.

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation	Recommendation by the RHNA and Housing Element Reform Subcommittee
C1	RHNA	Consolidate the revision and appeal processes into one process. (Association of California Cities – Orange County)	The revision and appeal process timelines are described in state housing law as two separate processes.	Since the separate revision request and appeals processes allow a jurisdiction multiple avenues to request for a review of their respective draft RHNA allocation, it is likely in the best interests of local jurisdictions to keep as separate the revision request and appeals processes.	SCAG staff will continue to follow the separate revision request and appeal processes currently outlined in the state housing law. <b>Recommendation made by Subcommittee on 05/29/14).</b>
C2	Housing Element	The housing element development timeframe is unrealistic and there should be a hardship process for more time with demonstrated progress. (Oxnard; County of Riverside)	Housing element updates must be completed in a specific time frame, as outlined in state housing law (generally, 12 months after the COG’s adoption of the Final RHNA plan).	Regarding the housing element update timeframe, with the most recent streamlined review process made available by HCD, SCAG staff believes that the 12 month housing element update timeframe is workable.	SCAG staff will continue to provide information to jurisdictions on the RHNA process and housing element update timelines and facilitate discussion with HCD for jurisdictions that need additional time for housing element implementation. <b>Recommendation made by Subcommittee on 09/29/14).</b>
C4	Housing Element	Cities with less than 25,000 should have more	Cities with a population of less than 25,000 have	SCAG staff will facilitate a discussion with HCD to allow for a default density range when determining appropriate densities for accommodating low and very low income households. In	SCAG staff will continue to facilitate discussion between HCD and jurisdictions to

		flexibility for the application of default densities in their housing elements than larger cities. (Ojai)	lower default densities than larger cities. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than 25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.	addition, staff will seek for clarification regarding AB 745, which would allow local jurisdictions to request that council of governments adjust the default densities under state law if they are not consistent with local jurisdiction’s existing density.	address default density options when determining appropriate sites for accommodating low and very-low income households. <b>Recommendation made by Subcommittee on 09/29/14).</b>
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Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation	Recommendation by the RHNA and Housing Element Reform Subcommittee
C5	Housing Element	Allow cities with a population of under 100,000 within the Counties of San Bernardino and Riverside to be considered “suburban” for purposes of default density. (Colton)	Cities with a population of less than 25,000 have lower default densities than larger cities. Most jurisdictions in the SCAG region have a default density of 30 units per acre. Jurisdictions with less than	SCAG staff will facilitate a discussion with HCD for potential legislative change to specify a default density range when determining appropriate densities for accommodating low and very low income households.	SCAG staff will continue to facilitate discussion between HCD and jurisdictions to address default density options when determining appropriate sites for accommodating low and very-low income households. <b>Recommendation made by Subcommittee on 09/29/14).</b>

			25,000 population or defined as “suburban” in state housing law have a default density of 20 units per acre.		
C6	Housing Element	When reviewing the housing element of smaller jurisdictions, HCD should consider compatibility of the proposed zoning and planning with community design regarding building height, view protection, and development density unique to smaller jurisdictions. Affordable overlays and inclusionary programs should be the preference of HCD. (Ojai; Oxnard)	State housing law does not take into account housing compatibility in a housing element with community design regarding building height, view protection, and development intensity.	Legislative change would be necessary to specify a range of default densities for different types of uses and other considerations indicated in a housing element regarding compatibility with surrounding uses. A discussion could occur between HCD and the Subcommittee regarding community design in housing element review. HCD allows affordable housing overlays to be developed. State law requires analysis of all development standards for potential constraints to residential development regardless of density.	SCAG staff will facilitate discussion between HCD and jurisdictions regarding community design in housing element review and to continue to allow for jurisdictions to use tools such as inclusionary zoning and affordable housing overlays to meet their respective future housing need. <b><i>Recommendation made by Subcommittee on 09/29/14).</i></b>

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation	Recommendation by the RHNA and Housing Element Reform Subcommittee
C7	Housing Element	California Environmental Quality Act (CEQA) exemptions should be granted for infill projects that are designated to meet housing need in the housing element (San Clemente).	State law requires that projects not categorically exempt from CEQA must go through the CEQA review process. However, Senate Bill (SB) 226 (signed by the Governor October 2011) and SB 743 (September 2013) provide opportunities for CEQA exemption and streamlining. The purpose of SB 226 is to streamline the environmental review process for eligible infill projects, and is implemented through State CEQA Guideline Section 15183.3 (Streamlining for Infill Projects). SB 743 provides	<p>Local jurisdictions can currently avail themselves of CEQA streamlining provisions set forth through SB 226 (CEQA Guideline Section 15183.3). See <a href="http://opr.ca.gov/s_sb226.php">http://opr.ca.gov/s_sb226.php</a></p> <p>Implementation of SB 743 by the State OPR is expected in 2014. For more information, see <a href="http://www.opr.ca.gov/s_transitorienteddevelopmentsb743.php">http://www.opr.ca.gov/s_transitorienteddevelopmentsb743.php</a></p> <p>SCAG staff has provided information on CEQA streamlining to our policy committees (of which the RHNA subcommittee are also members) and stakeholders, and will continue to do so as additional information becomes available.</p> <p>SCAG staff suggests that this topic continue to be discussed with SCAG committees and subcommittees as part of on-going CEQA modernization efforts.</p>	<p>SCAG will continue to provide information on CEQA streamlining to SCAG Policy Committees and stakeholders as additional information becomes available, and continue to discuss the topic as part of on-going CEQA modernization efforts.</p> <p><b>Recommendation made by Subcommittee on 09/29/14).</b></p>

			opportunities for CEQA exemption and streamlining for projects meeting certain criteria relating to specific plans, infill and transit-oriented development. The State Office of Planning and Research (OPR) is currently working on implementation of SB 743.		
C8	RHNA	Clarify state housing law to specifically address how housing needs should be allocated to jurisdictions with a disproportionately high share of households in the low income categories (Colton)	Government Code Section 65584 (d)(4) states that the objectives of the RHNA is to allocate a lower proportion of housing need by income category to disproportionately affected communities, but does not specify a particular methodology to address the issue. The RHNA process allows a COG such as SCAG to adopt its own methodology, including how to	Because SCAG can develop its own methodology to address disproportionately affected jurisdictions, staff recommends that this issue be revisited during the development of the 6 <sup>th</sup> RHNA cycle in 2018. (See also Item No. A11).	Review different formulas and factors to determine the appropriate methodology to address the projected distribution of very-low and low income housing for overburdened communities during the development of the 6 <sup>th</sup> cycle RHNA, beginning in 2018. <b>Recommendation made by Subcommittee on 03/13/14).</b>

			address disproportionately affected communities. For the 5 <sup>th</sup> RHNA cycle, SCAG applied a “110% adjustment” to address this issue.		
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**Local Sustainable Development and Looking Ahead**

The following are topics that are related to RHNA and housing element reform but involve programs and policies outside of state housing law. These topics are included as part of the matrix so that they may be integrated into the overall discussion by the Subcommittee.

- Suggestions from the RHNA and Housing Element Reform Subcommittee
- Current SCAG Projects
  - Sustainability Grant Program/Call for Proposals
- CEQA Streamlining/SB226
- Legislation monitoring
  - CEQA Reform
- Grants
  - HCD NOFA notification
  - SCG

Item No.	RHNA or Housing Element Topic	Suggested Reform (by Third Party or SCAG staff)	Existing Policy/Procedure	Initial Staff Response/Recommendation	Recommendation by the RHNA and Housing Element Reform Subcommittee
D1	Housing Element	Funding opportunities and other preferences should be available to jurisdictions with compliant housing elements. (Ojai)	Jurisdictions with compliant 4 <sup>th</sup> cycle housing elements have access to 5 <sup>th</sup> cycle streamlined review and are prioritized for various available grants and funding.	SCAG will coordinate with HCD in an effort to ensure that jurisdictions with compliant housing element will continue to receive streamlined review and funding opportunities as available.	SCAG will continue to coordinate with HCD in an effort to ensure that jurisdictions with compliant housing elements continue to receive streamlined review and funding opportunities as available. Moreover, SCAG will work with the State and our

					<p>member jurisdictions and stakeholders as part of the State’s Affordable Housing and Sustainable Communities (AHSC) program and identify additional funding opportunities for jurisdictions that build and preserve affordable housing. SCAG will also continue its efforts in facilitating between HCD and local jurisdictions to ensure housing element compliance. .</p> <p><b>Recommendation made by Subcommittee on 09/29/14).</b></p>
D2	Housing Element	<p>Provide funding opportunities for all new very low and low income units built with affordable housing covenants, similar to the Parks-related housing grants provided under Proposition 1A. (Brea)</p>	<p>HCD currently provides funding for parks-related programs to jurisdictions that build very low and income units. No grants are currently available relating to affordable housing covenants.</p>	<p>SCAG will encourage the State to develop and identify more funding opportunities for jurisdictions that build and preserve affordable housing.</p>	<p>SCAG will continue to coordinate with HCD in an effort to ensure that jurisdictions with compliant housing elements continue to receive streamlined review and funding opportunities as available. Moreover, SCAG will work with the State and our member jurisdictions and stakeholders as part of the State’s Affordable Housing and Sustainable Communities (AHSC) program and identify additional funding opportunities for jurisdictions that build and preserve affordable housing. SCAG will also continue its efforts in facilitating between HCD and local jurisdictions to ensure housing element compliance. .</p> <p><b>Recommendation made by Subcommittee on 09/29/14).</b></p>



# REPORT

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**DATE:** March 18, 2015

**TO:** RHNA and Housing Element Reform Subcommittee

**FROM:** Ma'Ayn Johnson, Housing & Land Use Planner, 213-236-1975, johnson@scag.ca.gov

**SUBJECT:** Updated Unforeseen and Significant Change in Circumstance Survey Results

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## **EXECUTIVE SUMMARY:**

*At its May 29, 2014 meeting, the RHNA and Housing Element Reform Subcommittee directed staff to conduct a survey of all jurisdictions to determine what might constitute an unforeseen and significant change of circumstance as a basis for appeal and when it might apply. SCAG staff presented initial survey results at the September 29, 2014 Subcommittee meeting and has updated the survey results, which is recommended to be included in the Subcommittee's final recommendations to the Community, Economic & Human Development (CEHD) Policy Committee.*

## **STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

## **BACKGROUND:**

At its May 29, 2014 meeting, the RHNA and Housing Element Reform Subcommittee discussed the RHNA revision request and appeals process and provided recommendations to address reform. One of the topics of reform discussed at the May 29, 2014 meeting concerned the term "unforeseen and significant change in circumstances," which is also known simply as "change in circumstances," that can be used as a basis for filing an appeal on a jurisdiction's draft RHNA allocation. According to State housing law, a jurisdiction can file an appeal of its draft RHNA allocation based on the adopted RHNA methodology, a local planning factor identified in Government Code Section 65584.04(d) (also known as "AB 2158 planning factors"), and an unforeseen and significant change in circumstances.

Out of the 13 appeals filed during the 5<sup>th</sup> RHNA cycle, six (6) of them included "significant and unforeseen change in circumstance" as a basis for appeal. Currently there is no clear definition of such circumstances in either State housing law or the Appeals Procedures adopted by the SCAG Regional Council for the 4<sup>th</sup> and 5<sup>th</sup> RHNA cycles. Further, there is no requirement or guidance on when it would need to occur in the RHNA process. Government Code Section 65584.05(d)(1) states only that a jurisdiction may appeal its draft allocation on the grounds that "a significant and unforeseen change in circumstances" has occurred in the local jurisdiction that merits a revision of the information submitted by the jurisdiction during the development of the RHNA methodology.

For both the 4<sup>th</sup> and 5<sup>th</sup> cycles, the RHNA Appeals Board did not find the arguments provided by jurisdictions compelling enough to grant the appeals requests based on significant and unforeseen change of circumstances. At the October 23, 2013 Subcommittee meeting, Mr. Glen Campora, Deputy Director at the

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California Department of Housing and Community Development (HCD), indicated that such change in circumstance must be related to land use planning.

Due to the lack of a concrete definition or successful examples of appeals based on a change in circumstance, the Subcommittee directed staff at its May 29, 2014 meeting to conduct a survey of all SCAG jurisdictions to determine what could constitute a change of circumstance and when would the change of circumstance have to occur to be eligible for an appeal basis. The survey was sent by email on July 31, 2014 to all SCAG city and county managers and planning directors with a submittal due date of August 22, 2014. SCAG staff sent a follow up email to subregional coordinators on September 16, 2014 in an effort to gather additional survey responses. Staff presented the initial survey results at the September 29, 2014 Subcommittee meeting as an informational item and continued to receive survey results until November 17, 2014. A total of fifty-seven (57) total responses to survey questions were submitted. Below are the final results of the survey.

The survey consisted of four (4) brief questions and a copy of the full survey is attached to this staff report (attachment 1). The following is a summary of the survey questions and the responses received. The full list of answers is attached to this staff report (attachment 2).

**Question #1:** What might constitute a “significant and unforeseen change in circumstances” that would affect a jurisdiction’s draft RHNA allocation? The circumstance must relate to land use planning.

There were fifty-three (53) individual responses to this question. Responses included “local planning constraints, annexation of county land, dissolution of redevelopment funding, and land use changes outside the jurisdiction’s control.”

Annexation of residentially-developed land from a county or incorporation of a city was included as responses. Annexations and incorporations involve boundary changes that would affect RHNA methodology and SCAG would need to be notified of any changes to jurisdictional boundaries so that the methodology could be amended until its final adoption. Typically annexations involving residentially zoned areas increase the number of households for the annexing city and would presumably add to its projected household growth and therefore RHNA allocation. The converse would apply for the involved county by reducing the number of households. However, annexations and incorporations typically involve well-developed sphere of influence plans and must undergo a rigorous process for final approval by the Local Agency Formation Commission (LAFCO).

The dissolution of redevelopment agencies has impacted building affordable housing throughout the State by increasing the need to find reliable and permanent funding sources to develop affordable housing. However, at the February 2, 2012 Community, Economic & Human Development (CEHD) Committee, Mr. Glen Campora, Deputy Assistant Director at HCD, indicated that the dissolution of redevelopment funds does not impact future housing need, represented by the RHNA allocation, since the funding was directed at increasing the supply of housing to meet that need. Additionally, the next RHNA cycle is anticipated to begin development in 2018, six (6) years after redevelopment dissolution, and would not be an unforeseen and significant change in circumstances at that point in time.

There were a variety of responses that indicated as being beyond a jurisdiction’s control. These include natural disasters, court orders, new identification of a health or public safety hazard, or acquisition of land

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by the state or federal government. Depending on the circumstances and how it affects households and housing demand, these issues might have merit as a basis for appeal in change in circumstance.

**Question #2: START DATE: When would the significant and unforeseen change in circumstances need to occur to justify an appeal to the draft RHNA allocation?**

Please select the earliest START date for the period of “change in circumstance” to apply (Please choose one):

- a) Between the local planning factor survey and RHNA Methodology adoption
- b) At the RHNA Methodology adoption
- c) At the Draft RHNA allocation distribution
- d) At the RHNA Appeals filing deadline
- e) At the RHNA Appeals hearings
- f) At the Final RHNA adoption
- g) Other (please explain)

For reference, survey users were provided a timeline of the 5<sup>th</sup> RHNA cycles process:

Submission of the local planning factor survey: July 2011
RHNA Methodology adoption: November 2011
Draft RHNA Allocation distribution: February 2012
RHNA Appeals filing deadline: May 2012
RHNA Appeals hearings: July 2012
Final RHNA adoption: October 2012

Sixteen (16) responses selected as the earliest start date for a change in circumstances appeal basis to apply (c) At the Draft RHNA allocation distribution. Thirteen (13) responses selected (a) Between the local planning factor survey and RHNA Methodology adoption. Eleven (11) responses selected (g) Other (please explain), and included answers such as at any time during the RHNA timeline and 12 months prior to the local planning factor survey (the full list of answers submitted as “Other” is included in attachment 3).

**Question #3: END DATE: When would the significant and unforeseen change in circumstances need to occur to justify an appeal to the draft RHNA allocation?**

Please select the latest END date for the period of “change in circumstance” to apply (Please choose one):

- a) Between the local planning factor survey and the RHNA Methodology adoption
- b) At the RHNA Methodology adoption
- c) At the Draft RHNA allocation distribution
- d) At the RHNA Appeals filing deadline
- e) At the RHNA Appeals hearings
- f) At the Final RHNA adoption
- g) Other (please explain)

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The top answer to question #3 was (f) At the Final RHNA adoption, with eighteen (18) survey users selecting this milestone as the latest end date. Fourteen (14) users responded with (g) Other, with some indicating again that change in circumstance as an appeal basis should apply at any time during the RHNA process while others indicated that it should occur during the housing element process (the full list of answers submitted as “Other” is included in attachment 3). Eleven (11) users indicated that the latest end date should be (d) At the RHNA Appeals filing deadline.

**Question #4:** Should the law be changed to allow for an adjustment to a RHNA allocation as part of the Housing Element process due to a significant and unforeseen change in circumstances occurring after the Final RHNA has been distributed?

- a) Yes
- b) No

Forty-five (45) out of the fifty-seven (57) responses for question #4 answered yes to changing the law to allow for an adjustment to a RHNA allocation as part of the housing element process due to a significant and unforeseen change in circumstance after the Final RHNA has been distributed. Because State housing law does not provide procedures for revising the Final RHNA allocation beyond annexation or incorporation situations, a legislative change would be needed to amend a RHNA allocation for an unforeseen and significant change in circumstance. SCAG staff will facilitate a discussion between HCD and this Subcommittee to determine the feasibility of this change and how it would fold in to the RHNA and housing element process.

SCAG staff will share the survey results with other metropolitan planning organizations (MPOs) and HCD if it is included in the Subcommittee’s final recommendations and recommended and adopted by the Subcommittee, CEHD Policy Committee, and Regional Council. The survey results, along with all of the anticipated final recommendations on RHNA and housing element reform, will also be shared with the 6<sup>th</sup> cycle RHNA Subcommittee starting in 2018.

## **FISCAL IMPACT:**

Expenditures related to staff and legal support for the RHNA and Housing Element Reform Subcommittee along with additional related direct costs (e.g., stipends, meals, mileage and parking) are included as part of the FY 14-15 General Fund Budget.

## **ATTACHMENTS:**

1. Survey on Change in Circumstances, Originally Sent via Email on July 31, 2014
2. Summary of Responses to Question #1
3. Summary of “Other” Responses to Questions #2 and #3

## Explanation

The RHNA Appeals process allows for jurisdictions to appeal their draft RHNA allocation on several bases. One of the bases for appeal is a "significant and unforeseen change in circumstances." (Government Code Section 65584.05(d)(1)). However, State law does not provide a specific definition of a significant and unforeseen change in circumstances and when it would have to occur to affect the jurisdiction's draft RHNA allocation and justify its appeal.

At the direction of the SCAG RHNA and Housing Element Reform Subcommittee, SCAG staff is surveying local jurisdictions on possible definitions of a "significant and unforeseen change of circumstances." Results of the survey will be shared with the California Department of Housing and Community Development (HCD), other MPOs, stakeholders, and the RHNA and Housing Element Reform Subcommittee for further guidance on the matter. We appreciate your time in completing this brief survey

Please submit your answers no later than **Monday, September 29, 2014**. Thank you.

**\*1. Name**

**\*2. Jurisdiction**

**\*3. Position**

- City/County Manager
- Planning Director/Manager
- Other (please specify)

**1. What might constitute a “significant and unforeseen change in circumstances” that would affect a jurisdiction’s draft RHNA allocation? The circumstance must relate to land use planning.**

**2.**

**START DATE:**When would the significant and unforeseen change in circumstances need to occur to justify an appeal to the draft RHNA allocation? While current State law does not specify when it would apply, for the 5th RHNA cycle, SCAG considered the period between the adoption of the RHNA Methodology and the distribution of the draft RHNA allocation as the applicable timeframe. For reference, the 5th RHNA cycle (2013-2021) timeline was as follows;

**Submission of the local planning factor survey: July 2011**

**RHNA Methodology adoption: November 2011**

**Draft RHNA Allocation distribution: February 2012**

**RHNA Appeals filing deadline: May 2012**

**RHNA Appeals hearings: July 2012**

**Final RHNA adoption: October 2012**

**Please select the earliest START date for the period of “change in circumstance” to apply (Please choose one):**

- Between the local planning factor survey and RHNA Methodology adoption
- At the RHNA Methodology adoption
- At the Draft RHNA allocation distribution
- At the RHNA Appeals filing deadline
- At the RHNA Appeals hearings
- At the Final RHNA adoption
- Other (please explain)

**3.**

**END DATE: When would the significant and unforeseen change in circumstances need to occur to justify an appeal to the draft RHNA allocation? While current State law does not specify when it would apply, for the 5th RHNA cycle, SCAG considered the period between the adoption of the RHNA Methodology and the distribution of the draft RHNA allocation as the applicable timeframe. For reference, the 5th RHNA cycle (2013-2021) timeline was as follows;**

**Submission of the local planning factor survey: July 2011**

**RHNA Methodology adoption: November 2011**

**Draft RHNA Allocation distribution: February 2012**

**RHNA Appeals filing deadline: May 2012**

**RHNA Appeals hearings: July 2012**

**Final RHNA adoption: October 2012**

**Please select the latest END date for the period of “change in circumstance” to apply (Please choose one):**

- Between the local planning factor survey and the RHNA Methodology adoption
- At the RHNA Methodology adoption
- At the Draft RHNA allocation distribution
- At the RHNA Appeals filing deadline
- At the RHNA Appeals hearings
- At the Final RHNA adoption
- Other (please explain)

**4. Should the law be changed to allow for an adjustment to a RHNA allocation as part of the Housing Element process due to a significant and unforeseen change in circumstances occurring after the Final RHNA has been distributed?**

- Yes
- No

RHNA Change in Circumstance Survey  
Summary of Question #1 Responses

1. What might constitute a “significant and unforeseen change in circumstances” that would affect a jurisdiction’s draft RHNA allocation? The circumstance must relate to land use planning.

- Annexation/incorporation
- Change in land use beyond jurisdiction’s control
- Economic changes
- Newly identified endangered species
- Drought
- Physical limitations
- Objections of residents
- Sewer capacity
- Misapplication of data used in methodology
- Miscalculation of housing need due to methodology application
- Natural disaster
- Delay in proposed transit station
- Need for infrastructure improvements
- Dissolution of redevelopment
- Legislation changes
- Lack of suitable land for development
- Unemployment
- Geological or other hazards limiting housing sites
- Vacant land developed faster than anticipated
- Identification of seismically active land
- Relocation of large public facilities (eg airports)
- Large scale project approval entailing General Plan amendment
- Project cancellation
- Court orders
- Newly discovered public safety or health hazard
- External litigation
- Referendum for permanent open space
- Zone changes
- City bankruptcy
- Acquisition of land by state or federal government
- Loss of major employer
- Placement of territory by Tribal Government into Federal Trust Land
- General Plan Updates

RHNA Change in Circumstance Survey  
Summary of Question #2 and #3 “Other” Responses

Question #2: START DATE: When would the significant and unforeseen change in circumstances need to occur to justify an appeal to the draft RHNA allocation?... Please select the earliest START date for the period of “change in circumstance” to apply.

(g) Other: Please Explain:

- 12 months prior to the Local planning factor survey
- an unforeseen circumstance is exactly that...it could occur before, during or after the RHNA process
- At any time regardless of RHNA timeline listed above.
- Between the local planning factor survey and the RHNA Appeals Filing deadline
- Change occurred over time. Voter approved assessment district for maintaining roads expired. State funding no longer available.
- It should be at any time during the RHNA process until the RHNA adoption hearing.
- Not anticipated N/A
- These "significant & unforeseen change in circumstances" should be considered throughout all steps of the RHNA process

Question #3: END DATE: When would the significant and unforeseen change in circumstances need to occur to justify an appeal to the draft RHNA allocation?... Please select the latest END date for the period of “change in circumstance” to apply.

(g) Other: Please Explain:

- Within 12 months prior to local planning factor survey
- What difference does it make there has never been a fair consideration of an appeal anyway
- Before, during, after. It can be at any time.
- No end in sight. City's general fund is less than \$3,000,000 and community needs are vast. There are only one or two lots large enough to build multifamily developments and those are hampered by steep terrain.
- It should be at any time during the RHNA process until the RHNA adoption hearing.
- Not anticipated N/A
- Upon the change occurring-could be up to an including the RHNA cycle
- Throughout all phases
- After the Final RHNA adoption numbers are distributed, staff should be given a period of 60 days or so to appeal the final adoption in case during that time, an unforeseen change in circumstance occurs.
- Unforeseen changes in circumstances should be appealable up housing element adoption/certification or, at a minimum to the date of the RHNA Appeal Hearing.
- Since it is a significant and unforeseen change in circumstance there should be a process to allow it even during the Housing Element process

**DATE:** April 4, 2012  
**TO:** Regional Council  
**FROM:** Hasan Ikhata, Executive Director, 213-236-1944, [ikhata@scag.ca.gov](mailto:ikhata@scag.ca.gov)  
**SUBJECT:** Proposed Final 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)

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**RECOMMENDED ACTION:**

Adopt **Resolution No. 12-538-2**, approving the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), including the associated Conformity Determination and the associated Consistency Amendment #11-24 to the 2011 Federal Transportation Improvement Program (FTIP) and forward them to the applicable federal and the state agencies for their review and approval.

**EXECUTIVE SUMMARY:**

*After more than two (2) years of work and extensive coordination with the County Transportation Commissions (CTC’s), local, state and federal and other partner agencies, and significant public outreach, the Proposed Final 2012-2035 RTP/SCS is transmitted for Regional Council action. Described within this Plan are the revisions to the Draft 2012-2035 RTP/SCS in response to public comments and input received from the RTP Subcommittee and the Policy Committees leading to preparation of the Proposed Final 2012-2035 RTP/SCS. The Proposed Final 2012-2035 RTP/SCS continues to meet all of the state and federal requirements, including transportation conformity and per capita greenhouse gas (GHG) emission reduction targets for 2020 and 2035 as established by the Air Resources Board pursuant to California Senate Bill 375 (SB 375).*

*The Proposed Final RTP/SCS was presented to the Policy Committees at a joint meeting held on March 21, 2012. At this meeting, the Policy Committees approved recommending to the Regional Council to adopt Resolution No. 12-538-2 that would adopt the Final 2012-2035 RTP/SCS and the associated Conformity Determination and Consistency Amendment #11-24 to the 2011 FTIP. The Policy Committees further directed staff to add clarifying language within the 2012-2035 RTP/SCS that would ensure it is technology neutral as it relates to alternative transportation fuel technology, and authorized the Executive Director to make necessary administrative edits to the documents.*

**STRATEGIC PLAN:**

This item supports SCAG’s Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies, Objective: c) Provide practical solutions for moving new ideas forward.

**BACKGROUND:**

**THE VISION FOR THE 2012-2035 RTP/SCS**

The 2012-2035 RTP/SCS (referred to herein as “The Plan”) is an investment Plan for Southern California’s future that improves air quality, improves mobility and ensures global economic competitiveness. Based upon extensive local collaboration, the Plan contains projects, policies and strategies with the intent of achieving a range of outcomes. The Plan identifies reasonably available sources of funding over the plan

period, and allocates these funds to transportation projects and programs that benefit our communities. These projects can be transit expansions, road and highway improvements, or bicycle routes among many other things. The other sections of the Plan, the strategies and policies, while not strictly speaking investments are designed to assure that, to the greatest extent possible, the money invested has the best chance of achieving the objectives communities and residents care about. As such, as discussed last fall with the Regional Council and Policy Committees, the vision of the Plan is to set forth a meaningful path towards advancing our region's mobility, sustainability and economy.

### ***Mobility***

A successful transportation plan will allow the future residents of the region to access daily needs, including work, school, shopping, and recreation without undue burdens of cost, time, or physical danger. This includes the pressing need to preserve and maintain our infrastructure at adequate levels. Residents should be able to rely on their ability to get from one place in the region to another, timely and safely. They should be able to choose from a variety of transportation modes that suit their preferences and needs, including non-auto modes that allow for physical activity. To this end, the Plan, also invests a considerable increase in funding for the region's system preservation to state of good repair and funding for active transportation as compared to past RTPs. This Plan would reduce per capita delay due to congestion by 24% (from average 17 minutes per capita today to 13 minutes by 2035). This reduction is achieved in part since 52% of future jobs will be located near high quality transit by 2035.

### ***Sustainability***

For the first time, this Plan includes a specific strategy linking future regional transportation and land use planning with the goal of promoting sustainability. This forecasted development pattern of the Plan achieves the greenhouse gas (GHG) emission reduction targets required under California's Sustainable Communities and Climate Protection Act (Senate Bill 375), with a per capita emission reduction of 9% by 2020 and 16% by 2035 as compared to the 2005 condition (exceeding the 2020 and 2035 targets of 8% and 13%, respectively, set by the California Air Resources Board [ARB]).

The Plan will only be successful if it defines sustainability in the broadest way possible. A successful Plan will allow future residents to enjoy equal or better quality of life than today, including the ability to lead a healthy lifestyle enjoying clean air and water, and ample opportunities for recreation and physical activity. Given the economic recession, a successful Plan will also provide economic sustainability by providing strategies that create jobs and attract additional businesses to Southern California communities. Moreover, this Plan will have direct and substantial benefits to public health by reducing pollutant emissions and expanding the opportunities for active transportation. A successful Plan will demonstrate how we can transition from things we know to be unsustainable - such as heavy reliance on fossil fuels - to new technologies for the future. Finally, the successful Plan will establish how we preserve what makes the region special, including our stable and successful neighborhoods with housing choices for all income levels, and our array of open spaces for future generations to enjoy. This Plan would result in a 24% reduction in health incidences related to regional air emissions by 2035. In addition, there would be an 8% reduction in energy consumption and 6% reduction in regional water use. Lastly, due to integrating land-use, housing and transportation for new developments by 2035, this Plan would result in savings of \$3,400 per household per year for transportation fuel, household electricity and natural gas consumption.

### ***Economy***

A successful Plan will provide costs and benefits for creating opportunities for business, investment, and employment, a factor which is becoming increasingly important during these difficult economic times. This Plan does so by proposing almost \$525 billion of investment in the next 23 years, constituting the largest regional scale jobs program in Southern California's history. The implementation of infrastructure projects recommended in the Plan is funded by both existing funding sources and proposed innovative financing and is projected to account for over 500,000 direct and indirect jobs annually. Economic benefits of the Plan are not limited, though, to the jobs created in designing, building and maintaining projects. In a broader sense, the Plan sets the conditions for economic activity in the region by improving mobility and reducing congestion, allowing businesses in the region to operate more efficiently, and maintain their competitiveness. It does so by addressing the needs for logistics and shipping in the region, which not only serve local businesses but allows us to capitalize on our unique position as a gateway for international trade. Also, through the integration of regional housing policy, residents will have better access to affordable housing in all communities, and will have lower overall combined costs for housing and transportation. In more subtle ways, the Plan encourages investment and growth by establishing the vision for a more livable and desirable region where industries want and can do business. Independent economic expert analysis of the Plan has found for every \$1 invested in the Plan there is a \$2.90 benefit.

### **RELEASE OF THE DRAFT 2012-2035 RTP/SCS**

SCAG released the Draft 2012-2035 RTP/SCS and the associated Consistency Amendment #11-24 to the FTIP for a 55-day public review and comment period that began on December 20, 2011, and ended on February 14, 2012. SCAG received over 260 individual communications (over 1,800 separate comments) in total, related to the Draft RTP/SCS or Draft Program Environmental Impact Report (PEIR), or both. Staff presented an overview of the comments received on the Draft PEIR, and a proposed approach to the responses, to the Policy Committees and Regional Council at a joint meeting on February 21, 2012. Staff also presented an overview of the comments received on the Draft RTP/SCS, and a proposed approach to the responses, to the RTP Subcommittee on February 28, 2012 and to the Policy Committees and Regional Council at a joint meeting on March 1, 2012. Each of the comments, letters, and e-mails received was made available on the SCAG web page on March 1, 2012. Staff responses to each comment were provided on March 19, 2012, posted along with the Proposed Final RTP/SCS and PEIR on the SCAG website: <http://rtpscs.scag.ca.gov/Pages/default.aspx>.

The Consistency Amendment #11-24 to the FTIP is posted at: <http://www.scag.ca.gov/ftip/2011/status.htm>.

This report provides the members of the Regional Council with summary information on the proposed revisions to the Draft RTP/SCS and the associated Draft PEIR in response to the comments received and the direction provided by the RTP Subcommittee and the Policy Committees. Based on the input and comments received from the stakeholders and interested parties through the public workshops and the formal comment process, staff undertook the following activities in preparing the Proposed Final 2012-2035 RTP/SCS and the associated PEIR:

- Documented and responded to every comment received, including testimonies that were provided at the formal public hearings that were conducted at each of the six (6) counties;
- Updated some of the projects in the Project List with the most current information furnished to SCAG by the County Transportation Commissions (CTCs). The nature of such changes included minor change to the scope of existing projects, change to completion years, minor change to project costs etc.;

- Updated the socio-economic data to reflect the most current local inputs;
- As requested by the Regional Council, added a Chapter reflecting the findings of the independent economic experts regarding the costs and benefits of the 2012-2035 RTP/SCS;
- Prepared an amendment to FTIP (Amendment #11-24) to ensure consistency with the Final Draft 2012 RTP/SCS;
- Re-ran the travel demand model and the analytical process to reflect the updated transportation networks (projects) and the socio-economic data, which result in the same positive conformity findings and achievement of the per capita GHG emission reduction targets that were demonstrated for the Draft 2012-2035 RTP/SCS;
- Convened RTP Subcommittee and Joint Policy Committees meetings to receive policy guidance on potential changes to the Final RTP/SCS and the associated PEIR; and
- Finally, revised the Draft 2012-2035 RTP/SCS and Draft PEIR as well as their supporting appendices to incorporate updates and appropriate changes.

Attachment 1 is the Executive Summary for the Proposed Final 2012-3035 RTP/SCS. The proposed changes in the Plan are minor and do not change the underlying findings and conclusions that were described in the draft documents released in December 2011. It is important to note that the development of the Plan is based upon a continuing, cooperative, and comprehensive “3-C” planning process. To this point, to the extent that suggestions made by commenters to the Draft RTP/SCS were not incorporated or addressed in the Plan, opportunities exist in the 3-C planning process for further discussion and analysis as part of future RTP/SCS updates. As further detailed below, the changes in the Plan can be grouped into three (3) main categories: projects and programs, financial plan, and the SCS. In addition, minor changes were also made to the PEIR in response to stakeholder comments.

### **FINAL RTP/SCS MEETS STATE AND FEDERAL REQUIREMENTS**

As indicated above, final model runs were completed with the updated networks and socio-economic data as part of the Final RTP/SCS development process. Based on the findings of this effort, staff concludes that the Plan continues to meet all state and federal requirements, including conformity (financial constraint, regional emissions analyses, timely implementation of transportation control measures, interagency consultation and public involvement) and the GHG emission reduction targets set by ARB pursuant to SB 375. The 2012-2035 RTP/SCS is California Environmental Quality Act (CEQA) compliant.

### **PROJECTS AND PROGRAMS**

SCAG received many comments regarding specific Plan projects and programs, including: the active transportation strategy, the goods movement East/West Freight Corridor and environmental strategy, and the SR-710 Northern Extension (tunnel) –alignment to be determined project. Staff concurs that additional work in these areas should be pursued beyond the adoption of the 2012-2035 RTP/SCS and in anticipation of the next RTP/SCS update in 2016. Discussion of these “next steps” has been added to the Plan, where appropriate. However, for now, and until additional studies are completed, the Plan investment strategy, including funding levels for modal categories of highway, transit, goods movement, and system preservation will remain unchanged. Active transportation funding was increased from \$6.0 billion to \$6.7 billion (a 270% increase over the prior 2008 Plan), partly in response to overwhelming support for higher levels of funding and partly to reflect the most current FTIP submitted by the CTCs. Similarly, Transportation Demand Model (TDM) funding was increased from \$4.0 billion to \$4.5 billion.

In response to project-specific comments such as those opposing the SR-710 Northern Extension (tunnel) – alignment to be determined project and the East/West Freight Corridor, the Plan will continue to include these projects, with the recognition that project-specific evaluations by the lead agencies are under way or will be conducted in the future before implementation. As has been done with prior RTPs, SCAG will continue to work with the CTCs, Caltrans, and local agencies to amend the Plan as necessary to reflect local decisions that are made upon the completion of project-specific Environmental Impact Reports/ Environmental Impact Statements.

Therefore, after careful consideration of the comments received regarding specific projects and programs, the Plan investment strategy and project list remain relatively unchanged from the Draft, with minor revisions to some of the projects included in the Project List to reflect the most current information on these projects as furnished by the CTCs.

The only new projects added to the Plan were discussed by the RTP Subcommittee, which recommends adding the following projects to the Constrained List of Projects.

- Include rail component in the Environmental Study (EIR/EIS) of the High Desert Corridor Project; and
- Parkway 1e11, a bicycle, pedestrian, and neighborhood electric vehicle trail in Coachella Valley

Staff has determined that neither of these projects would trigger the need for new model runs and therefore would not adversely impact the positive conformity findings and the GHG reduction target achievements.

In addition, the RTP Subcommittee recommended the following:

- Include the entire Corridor of California Nevada Super Speed Train (only the Anaheim-Ontario segment was included in the Strategic Plan part of the Plan) in the Strategic plan; and
- Eliminate the Grapevine alignment of the California High Speed Rail Phase I from any further consideration in the future as approved by the California High Speed Rail Authority

Other minor clarifications have been made to projects in response to comments, including for example, further clarification of the goods movement environmental strategy has been provided in the Technical Appendix, and the description of the SR-710 Northern Extension (tunnel) –Alignment to be determined project has been modified to consistently reflect the project description in LA Metro’s Board approved Long Range Plan and on-going efforts on this project.

Furthermore, pursuant to the direction from the Policy Committees on March 21, 2012, staff has added clarifying language related to alternative fuel technology in the Plan. Appropriate edits (page 157 of the Plan) have been made to clarify that SCAG’s policy with regard to alternative fuels is technology neutral and does not favor any one technology over another. SCAG’s alternative fuel goals are to promote emissions reduction and improve mobility in ways that are effective and cost-effective.

## **FINANCIAL PLAN**

As previously reported as part of the March 1, 2012 Special Meeting of the Regional Council and Policy Committees, SCAG received comments regarding the assumption of innovative funding mechanisms in the Plan, including a mileage-based user fee. Staff concurs that additional work is needed before revenue strategies such as mileage-based user fees become effective in 2025. As such, the Plan does not assume

implementation of these strategies by Congress or the State Legislature prior to 2025. Staff will further detail implementation steps and provide information on activities to be conducted beyond the adoption of the Plan in the Financial Plan Appendix report.

In addition, many comments encourage SCAG to front-load investments in active transportation and transit over highway investments. Staff clarifies the importance of respecting county and sub-regional decisions and emphasizes the very limited flexibility to change near-term funding commitments.

The RTP Subcommittee discussed the need for language regarding local control of funding, particularly with respect to system preservation. Accordingly, the financial plan identifies the importance of developing mechanisms to ensure local control over these long-term resources.

In summary, after careful consideration of these comments, the RTP/SCS financial plan, including innovative funding strategies and overall funding allocations, remains unchanged from the Draft with minor adjustments described earlier under the Projects and Programs section. The Plan meets federal requirements for financial constraint, and is consistent with the priorities and projects identified in voter-approved sales tax measures and CTC adopted long range plans.

### **SUSTAINABLE COMMUNITIES STRATEGY (SCS)**

SCAG received various comments from member agencies and advocacy groups seeking clarification on the consistency of the future land use development pattern with local plans, including General Plans, Community Plans, Conservation Plans, etc. Staff has clarified that SCAG's SCS is built upon local input from local jurisdictions. In some cases, SCAG altered small area land use assumptions within jurisdictions to better reflect recent trends occurring in transit-rich areas of the region. SB 375 legislation does not require that a jurisdiction's land use policies and regulations be consistent with the SCS. However, state law requires that the Regional Housing Needs Assessment (RHNA) must be consistent with the RTP/SCS land use development pattern.

Some commenters questioned the utilization of the more than 14,000 Transportation Analysis Zones (TAZ) in the region for modeling purposes. Commenters requested clarification regarding TAZ-level maps versus jurisdictional level maps for the adoption of growth forecasts, and how this affects eligibility for CEQA incentives. Staff further clarified that the TAZ-level maps have been developed for the purpose of modeling performance only, that local jurisdictions and other lead agencies shall have the discretion to use or forego the use of SCAG's TAZ-level modeling assumptions, and that the growth and land use assumptions for the Plan are to be adopted at the jurisdictional scale (see Growth Forecast Appendix for jurisdictional level data). In reference to the CEQA incentives provided under SB 375, lead agencies, including local jurisdictions, maintain their own discretion concerning how to determine consistency of any future projects with the SCS.

Comments related to the subregional SCSs were also included, which asked for clarification on the relationship between subregional implementation strategies and the regional implementation strategies, along with requests to explicitly state that land use inputs for the two subregional SCSs were unchanged. Staff has added clarifying language indicating that the subregional SCS documents submitted by the Gateway Cities Council of Government (GCCOG) and Orange County Council of Governments (OCCOG) are incorporated into the regional RTP/SCS in its entirety, and as such, the policies included are part of the regional plan for implementation in the sub-region. Staff has also explicitly stated that land use inputs from GCCOG and OCCOG were not changed per the MOU between SCAG and the respective subregions.

Additionally, other commenters encouraged SCAG to address possible negative impacts on public health, low income communities, housing affordability, and rural areas. Staff has added additional actions and strategies to Chapter 4 (SCS) that local jurisdictions may consider to successfully implement the SCS.

Resolution No. 12-538-2 (Attachment 2) is the proposed resolution for consideration to adopt the 2012-2035 RTP/SCS and associated transportation conformity determination for the Plan as well as Consistency Determination of Amendment #11-24 to 2011 FTIP (ensuring that projects in the 2011 FTIP are consistent with 2012-2035 RTP/SCS).

### **SUMMARY OF ARB MARCH 22, 2012 BOARD MEETING**

SCAG Board Officers Pam O'Connor, Glen Becerra, Greg Pettis and Larry McCallon traveled to Sacramento and testified on behalf of the Regional Council regarding meeting the Sustainable Communities Strategy requirements of SB 375. Officers testified on the benefits of the plan and that a 9% reduction in greenhouse gas emissions would occur per capita by 2020 and 16% in 2035. ARB reported to the Board that they have analyzed the submitted plan and that SCAG has met the requirements. In addition, executives from San Diego, San Francisco and Sacramento MPOs as well as executives from Metro, the Imperial County Transportation Commission and the California High Speed Rail Authority spoke in support of SCAG's plan. ARB is expected to act on the plan within 60 days.

### **NEXT STEPS**

Following today's adoption of the Plan by the Regional Council through Resolution No. 12-538-2, the Executive Director will finalize the Plan and associated documents including the associated technical appendices with minor administrative edits, if and as necessary, and submit them to the applicable federal and state agencies for their review, approval and acceptance. Specifically, transportation conformity on the 2008 RTP expires on June 5, 2012, and therefore, it is imperative that the new and conforming Plan be in place prior to or on that date.

### **FISCAL IMPACT:**

Funding for the RTP/SCS development is included in the FY 2011/12 OWP.

### **ATTACHMENTS:**

- 1) Executive Summary of the Proposed Final 2012-2035 RTP/SCS
- 2) Resolution No. 12-538-2 (relating to Adoption of 2012-2035 RTP/SCS and associated transportation conformity determination and Consistency Amendment #11-24 to 2011 FTIP)

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# EXECUTIVE SUMMARY



## REGIONAL TRANSPORTATION PLAN 2012-2035 RTP SUSTAINABLE COMMUNITIES STRATEGY Towards a Sustainable Future



*Southern California Association of Governments*  
PROPOSED FINAL  
APRIL 2012

# EXECUTIVE SUMMARY



## Our Vision

### Towards a Sustainable Future

For the past three decades, the Southern California Association of Governments (SCAG) has prepared Regional Transportation Plans (RTPs) with the primary goal of increasing mobility for the region's residents and visitors. While mobility is a vital component of the quality of life that this region deserves, it is by no means the only component. SCAG has placed a greater emphasis than ever before on sustainability and integrated planning in the 2012–2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), whose vision encompasses three principles that collectively work as the key to our region's future: mobility, economy, and sustainability.

The 2012–2035 RTP/SCS includes a strong commitment to reduce emissions from transportation sources to comply with SB 375, improve public health, and meet the National Ambient Air Quality Standards as set forth by the federal Clean Air Act. As such, the 2012–2035 RTP/SCS contains a regional commitment for the broad deployment of zero- and near-zero emission transportation technologies in the 2023–2035 time frame and clear steps to move toward this objective. This is especially critical for our goods movement system. The development of a world-class zero- or near-zero emission freight transportation system is necessary to maintain economic growth in the region, to sustain quality of life, and to meet federal air quality requirements. The 2012–2035 RTP/SCS puts forth an aggressive strategy for technology development and deployment to achieve this objective. This strategy will have many co-benefits, including energy security, cost certainty, increased public support for infrastructure, GHG reduction, and economic development.

Never before have the crucial linkages and interrelationships between the economy, the regional transportation system, and land use been as important as now. For the first time, the 2012–2035 RTP/SCS includes a significant consideration of the economic impacts and opportunities provided by the transportation infrastructure plan set forth in the 2012–2035 RTP/SCS, considering not only the economic and job creation impacts of the direct investment in transportation infrastructure, but also the efficiency gains in terms of worker and business economic productivity and goods movement. The 2012–2035 RTP/SCS outlines a transportation infrastructure investment strategy that will benefit Southern California, the state, and the nation in terms of economic development, competitive

advantage, and overall competitiveness in the global economy in terms of attracting and retaining employers in the Southern California region.

The 2012–2035 RTP/SCS provides a blueprint for improving quality of life for our residents by providing more choices for where they will live, work, and play, and how they will move around. Its safe, secure, and efficient transportation systems will provide improved access to opportunities, such as jobs, education, and healthcare. Its emphasis on transit and active transportation will allow our residents to lead a healthier, more active lifestyle. It will create jobs, ensure our region's economic competitiveness through strategic investments in our goods movement system, and improve environmental and health outcomes for its 22 million residents by 2035. More importantly, the RTP/SCS will also preserve what makes the region special, including our stable and successful neighborhoods and our array of open spaces for future generations to enjoy.

### The Setting

In order to successfully overcome the challenges that lie before us, this RTP/SCS first recognizes the impacts that recent events and long-term trends will have on how people choose to live and move around.

#### ECONOMIC RECESSION

**[800,000]** jobs have been lost in the region  
due to the Great Recession

The economic turmoil faced by many of the region's residents is likely to impact their housing choices and travel behavior, including their transportation mode choice and day-to-day travel patterns. This will potentially require different types of transportation solutions.

## POPULATION GROWTH

The region will add **[4 million]** people by 2035

This growth in population will only exacerbate our region’s existing mobility challenges. The SCAG region is already home to 18 million people, or 49 percent of California’s population. If it were its own state, the SCAG region would be the fifth most populous in the nation. Furthermore, this expected growth will occur mainly in the suburban inland counties of Riverside and San Bernardino, adding to the existing imbalance of jobs and housing in the region, and requiring people to travel, which contributes to transportation and air quality challenges. In addition, with the aging of the Baby Boomer generation (the share of the population 65 years or older will increase from 11 percent in 2010 to 18 percent in 2035), the region will have a greater need for more efficient modes of transportation for those who can no longer drive as their main form of transportation.



Image courtesy of Metro © 2012 LACMTA

## MULTIMODAL TRANSPORTATION SYSTEM

Over the past few decades, the region has invested heavily in a multimodal transportation system that serves as the backbone of the region’s economic well-being.

### THE SYSTEM AT A GLANCE

**[21,690]** miles of highways and arterials

**[470]** miles of passenger rail

**[6]** air carrier airports

Nine out of ten trips in the region utilize our extensive highway and arterial network, which supports a host of modes, including the automobile, transit, and active transportation. The region is also home to a growing number of passenger rail lines, none of which existed 20 years ago. Our regional aviation system is the nation’s largest and most complex in terms of number of airports and aircraft, and our goods movement industry plays a critical role in sustaining the economy of our region. The importance of this system to our region cannot be overstated.

### THE REGION IN MOTION

**[446 million]** miles driven each day

**[81 million]** air passengers each year

**[45%]** more urban rail riders between 2000 and 2006

**[34%]** of our jobs depend on the goods movement industry

## Challenges

The challenges facing the region are daunting. When combined, our mobility, air quality, and funding challenges present an imposing threat to the quality of life for both current and future residents.

### MOBILITY CHALLENGES

The region wastes over **[3 million]** hours each year sitting in traffic

The region’s roadways are the most congested in the nation, and traffic relief is critical, even more so in our current economic situation. By failing to address our congestion, we have foregone jobs—every 10 percent decrease in congestion can bring an employment increase of about 132,000 jobs.

### SAFETY CHALLENGES

On the brighter side, our roadways are among the nation’s safest, with rate of fatal and injury collisions declining dramatically since the 1930s. But as we continue to successfully improve safety for our motorists, we cannot neglect the alarming fatality rates of those traveling on other modes of transportation.

**[21%]** of all traffic-related fatalities involve pedestrians

This fatality rate is unacceptable, and if we plan to successfully move toward a more sustainable future that includes plenty of active transportation, we must address the safety deficiencies in all modes of transportation.

### AIR QUALITY CHALLENGES

In addition, while Southern California is a leader in reducing emissions, and ambient levels of air pollutants are improving, the SCAG region continues to have the worst air quality in the nation, and air pollution still causes thousands of premature deaths every year, as well as other serious adverse health effects. The South Coast Air Quality Management District (AQMD) estimates the monetary cost of air pollution in Southern California to be at least \$14.6 billion annually.

Even with ongoing aggressive control strategies, ever more stringent national ozone standards require further oxide of nitrogen (NOx) emission reductions in the SCAG region. In the South Coast Air Basin, for example, it is estimated that NOx emissions will need to be reduced by approximately two-thirds in 2023 and three-quarters in 2030. This is a daunting challenge. The level of emission reduction required is so significant that 2030 emissions forecasted from just three sources—ships, trains, and aircraft—would lead to ozone levels near the federal standard. Because most sources, including cars and factories, are already controlled by over 90 percent, attainment of ozone standards will require broad deployment of zero- and near-zero emission technologies in the 2023–2035 time frame.

### Senate Bill 375

New to this RTP, California’s Sustainable Communities and Climate Protection Act, or Senate Bill (SB) 375, calls for this RTP to include an SCS that reduces greenhouse gas (GHG) emissions from passenger vehicles by 8 percent per capita by 2020 and 13 percent per capita by 2035 compared to 2005, as set by the California Air Resources Board (ARB). SB 375 enhances the State’s goals of Assembly Bill 32, the Global Warming Solutions Act of 2006. Meeting the required targets will not be easy, but it must be done for the health and quality of life of current and future generations. Meeting these targets will point the region toward overall sustainability and will provide benefits beyond reducing carbon emissions.

## FINANCIAL CHALLENGES

Of all the challenges facing us today, there is perhaps none more critical than funding. With the projected growth in population, employment, and demand for travel, the costs of our multimodal transportation needs surpass projected revenues available from our historic transportation funding source—the gas tax.

State and federal gas taxes have not changed  
in nearly **[20]** years

Yet, highway construction costs  
have grown by **[82%]**

As a result of years of underinvestment, a significant number of our roadways and bridges have fallen into a state of disrepair. It is imperative that this situation be addressed. The rate of deterioration will only accelerate with continued deferral, significantly increasing the cost of bringing our transportation assets back into a state of good repair. Furthermore, with recent declines in transit funding, the region's transit operators continue to face major obstacles to providing frequent and convenient transit service.

Rail operating costs have increased by  
over **[40%]** in the past decade

Intercity transit operators have been forced  
to cut service by up to **[20%]**

The region must consider ways to stabilize existing revenue sources and supplement them with reasonably available new sources. This region needs a long-term, sustainable funding plan that ensures the region receives its fair share of funding, supports an efficient and effective transportation system that grows the economy, provides mobility choices, and improves our quality of life.

## Our Approach

To address these challenges, SCAG performed a careful analysis of our transportation system, the future growth of our region, and potential new sources of revenue, and embarked on a massive outreach undertaking to hear what the region had to say. While SCAG continued to work closely through hundreds of meetings with stakeholder agencies with which it has always collaborated, it also conducted a series of planning sessions throughout the region to find out what Southern Californians want to see in their future. The result of this multi-year effort is the 2012–2035 RTP/SCS, a shared vision for the region's sustainable future.

## Transportation Investments

The RTP/SCS contains a host of improvements to our multimodal transportation system. These improvements include closures of critical gaps in the network that hinder access to certain parts of the region, as well as the strategic expansion of our transportation system where there is room to grow in order to provide the region with the mobility it needs. These improvements are outlined in **TABLE 1**.



*Image courtesy of the Riverside Transit Agency*

**TABLE 1** Transportation Investments

Component	Description	Cost
<b>Transit</b>		<b>\$55.0 billion</b>
Bus Rapid Transit (BRT)	New BRT routes, extensions, and/or service enhancements in Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties	\$4.6 billion
Light Rail Transit (LRT)	New Light Rail routes/extensions in Los Angeles and San Bernardino Counties	\$16.9 billion
Heavy Rail Transit (HRT)	Heavy Rail extension in Los Angeles County	\$11.8 billion
Bus	New and expanded bus service in Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties	\$21.7 billion
<b>Passenger and High-Speed Rail</b>		<b>\$51.8 billion</b>
Commuter Rail	Metrolink extensions in Riverside County and Metrolink systemwide improvements to provide higher speeds	\$4.1 billion
High-Speed Rail	Improvements to the Los Angeles to San Diego (LOSSAN) Rail Corridor with an ultimate goal of providing San Diego-Los Angeles express service in under two hours  Phase I of the California High-Speed Train (HST) project that would provide high-speed service from Los Angeles to the Antelope Valley	\$47.7 billion
<b>Active Transportation</b>		<b>\$6.7 billion</b>
Various Active Transportation Strategies	Increase our bikeways from 4,315 miles to 10,122 miles, bring significant amount of sidewalks into compliance with the Americans with Disabilities Act (ADA), safety improvements, and various other strategies	\$6.7 billion
<b>Transportation Demand Management (TDM)</b>		<b>\$4.5 billion</b>
Various TDM Strategies	Strategies to incentivize drivers to reduce solo driving: <ul style="list-style-type: none"> <li>▪ Increase carpooling and vanpooling</li> <li>▪ Increase the use of transit, bicycling, and walking</li> <li>▪ Redistribute vehicle trips from peak periods to non-peak periods by shifting work times/days/locations</li> <li>▪ Encourage greater use of telecommuting</li> <li>▪ Other “first mile/last mile” strategies to allow travelers to easily connect to and from transit service at their origin and destination. These strategies include the development of mobility hubs around major transit stations, the integration of bicycling and transit through folding-bikes-on-buses programs, triple bike racks on buses, and dedicated racks on light and heavy rail vehicles</li> </ul>	\$4.5 billion

Component	Description	Cost
<b>Transportation Systems Management (TSM) (includes Intelligent Transportation Systems (ITS))</b>		<b>\$7.6 billion</b>
Various TSM Strategies	Enhanced incident management, advanced ramp metering, traffic signal synchronization, advanced traveler information, improved data collection, universal transit fare cards (Smart Cards), and Transit Automatic Vehicle Location (AVL) to increase traffic flow and reduce congestion	\$7.6 billion
<b>Highways</b>		<b>\$64.2 billion</b>
Mixed Flow	Interchange improvements to and closures of critical gaps in the highway network to provide access to all parts of the region	\$16.0 billion
High-Occupancy Vehicle (HOV)/ High-Occupancy Toll (HOT)	Closure of gaps in the high-occupancy vehicle (HOV) lane network and the addition of freeway-to-freeway direct HOV connectors to complete Southern California's HOV network  A connected network of Express/HOT lanes	\$20.9 billion
Toll Facilities	Closure of critical gaps in the highway network to provide access to all parts of the region	\$27.3 billion
<b>Arterials</b>		<b>\$22.1 billion</b>
Various Arterial Improvements	Spot widenings, signal prioritization, driveway consolidations and relocations, grade separations at high-volume intersections, new bicycle lanes, and other design features such as lighting, landscaping, and modified roadway, parking, and sidewalk widths	\$22.1 billion
<b>Goods Movement (includes Grade Separations)</b>		<b>\$48.4 billion</b>
Various Goods Movement Strategies	Port access improvements, freight rail enhancements, grade separations, truck mobility improvements, intermodal facilities, and emission-reduction strategies	\$48.4 billion
<b>Aviation and Airport Ground Access</b>		<b>Included in modal investments</b>
Various Airport Ground Access Improvements	Rail extensions and improvements to provide easier access to airports, and new express bus service from remote terminals to airports	Included in modal investments
<b>Operations and Maintenance</b>		<b>\$216.9 billion</b>
Transit		\$139.3 billion
Highways	Operations and maintenance to preserve our multimodal system in a good state of repair	\$56.7 billion
Arterials		\$20.9 billion

# Financial Plan

The 2012–2035 RTP/SCS financial plan identifies how much money is available to support the region’s transportation investments. The plan includes a core revenue forecast of existing local, state, and federal sources, along with reasonably available new revenue sources that are likely to materialize within the RTP time frame. These new sources include adjustments to state and federal gas tax rates based on historical trends and recommendations from two national commissions (National Surface Transportation Policy and Revenue Study Commission and National Surface Transportation Infrastructure Financing Commission) created by Congress, further leveraging of existing local sales tax measures, value capture strategies, potential national freight program/freight fees, as well as passenger and commercial vehicle tolls for specific facilities. Reasonably available revenues also include innovative financing strategies, such as private equity participation.

**TABLE 2** presents ten categories of new revenue sources and innovative financing techniques that are considered to be reasonably available and are included in the financially constrained plan. For each funding source, SCAG has examined the policy and legal context of implementation, prepared an estimate of the revenue potential, and identified action steps to ensure the funds are available to implement the region’s transportation vision.

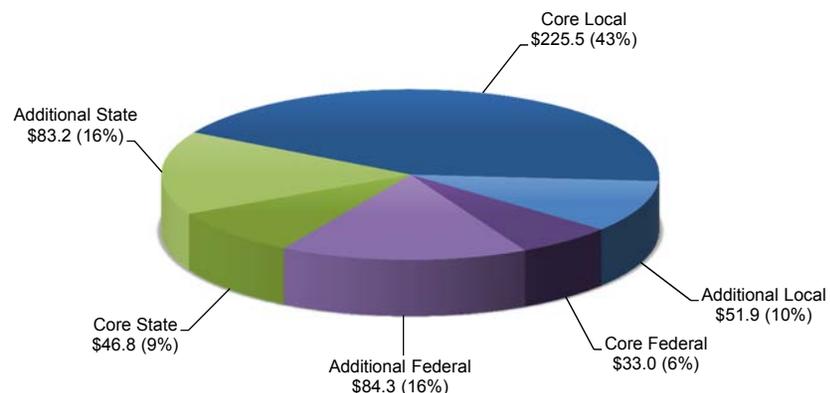
## Revenue Sources and Expenditures

**FIGURES 1 AND 2** provide a summary of the plan’s forecasted revenues and expenditures. As shown in these figures, the region’s budget over the next 25 years totals an estimated \$524.7 billion.

**TABLE 2** New Revenue Sources and Innovative Financing Strategies (Nominal Dollars, Billions)

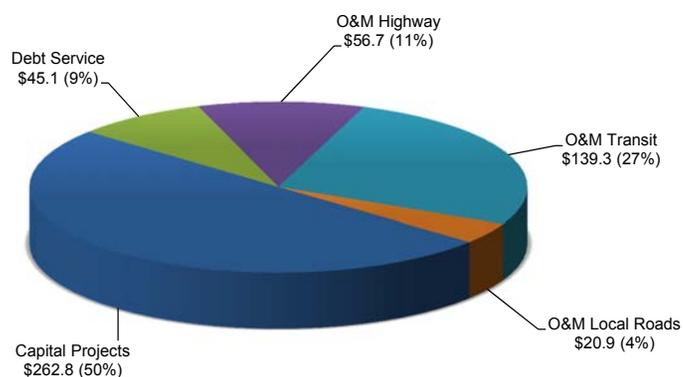
Revenue Source	Description	Amount
Bond Proceeds from Local Sales Tax Measures	Issuance of debt against existing sales tax revenues: Los Angeles, Orange, Riverside, and San Bernardino Counties.	\$25.6 bil
State and Federal Gas Excise Tax Adjustment to Maintain Historical Purchasing Power Enacted by Congress	Additional \$0.15 per gallon gasoline tax imposed at the state and federal levels starting in 2017 to 2024—to maintain purchasing power.	\$16.9 bil
Mileage-Based User Fee (or equivalent fuel tax adjustment) Enacted by Congress	Mileage-based user fees would be implemented to replace gas tax and augment—estimated at about \$0.05 (2011\$) per mile and indexed to maintain purchasing power starting in 2025.	\$110.3 bil (est. increment only)
Highway Toll revenue bond proceeds)	Toll revenues generated from SR-710 North Extension, I-710 South Freight Corridor, East-West Freight Corridor, segment of the High Desert Corridor, and Regional Express/HOT Lane Network.	\$22.3 bil
Private Equity Participation	Private equity share as may be applicable for key initiatives: e.g., toll facilities; also, freight rail package assumes railroad share of costs for mainline capacity and intermodal facilities.	\$2.7 bil
Freight Fee/National Freight Program	A national freight program is anticipated with the next federal reauthorization of the surface transportation act. The U.S. Senate’s proposal would establish federal formula funding for the national freight network.	\$4.2 bil
E-Commerce Tax	Although these are existing revenue sources, they generally have not been collected. Potentially, the revenue could be used for transportation purposes, given the relationship between e-commerce and the delivery of goods to California purchasers.	\$3.1 bil
Interest Earnings	Interest earnings from toll bond proceeds.	\$0.2 bil
State Bond Proceeds, Federal Grants & Other for California High-Speed Rail Program	State general obligation bonds authorized under the Bond Act approved by California voters as Proposition 1A in 2008; federal grants authorized under American Recovery and Reinvestment Act and High-Speed Intercity Passenger Rail Program; potential use of qualified tax credit bonds; and private sources.	\$33.0 bil
Value Capture Strategies	Assumes formation of special districts including use of tax increment financing for specific initiatives.	\$1.2 bil

**FIGURE 1 Revenue Sources**  
**\$524.7 Billion (Nominal Dollars) FY2011–FY2035**



Source: SCAG Revenue Model 2011  
 Note: Numbers may not sum to total due to rounding

**FIGURE 2 Expenditure Summary**  
**\$524.7 Billion (Nominal Dollars) FY2011–FY2035**



Source: SCAG Revenue Model 2011  
 Note: Numbers may not sum to total due to rounding

## Sustainable Communities Strategy

Within the RTP, the SCS demonstrates the region’s ability to attain and exceed the GHG emission-reduction targets set forth by the ARB. The SCS outlines our plan for integrating the transportation network and related strategies with an overall land use pattern that responds to projected growth, housing needs, changing demographics, and transportation demands. The regional vision of the SCS maximizes current voluntary local efforts that support the goals of SB 375, as evidenced by several Compass Blueprint Demonstration Projects and various county transportation improvements. The SCS focuses the majority of new housing and job growth in high-quality transit areas and other opportunity areas in existing main streets, downtowns, and commercial corridors, resulting in an improved jobs-housing balance and more opportunity for transit-oriented development. This overall land use development pattern supports and complements the proposed transportation network that emphasizes system preservation, active transportation, and transportation demand management measures. Finally, the RTP/SCS fully integrates the two subregional SCSs prepared by the Gateway Cities and Orange County Council of Governments.



Photo by Alan Thompson

## Measuring Up

The investments in this RTP/SCS are expected to result in significant benefits to the region with respect to transportation and mobility, as well as air quality, economic activity and job creation, sustainability, and environmental justice. They will result in better placemaking, lower overall costs, improvements in public health and the environment, responsiveness to a changing housing market, and improved accessibility and mobility.

### Air Quality and GHG Targets

We will reduce greenhouse gas emissions by **[9%]** by 2020, and by **[16%]** by 2035

This RTP/SCS successfully achieves and exceeds our greenhouse gas emission-reduction targets set by ARB by achieving a 9 percent reduction by 2020 and 16 percent reduction by 2035 compared to the 2005 level on a per capita basis. This RTP/SCS also meets criteria pollutant emission budgets set by the EPA. With each passing year, Southern Californians should expect to breathe cleaner air and live healthier lives.

This air quality benefit is made possible largely by more sustainable planning, integrating transportation and land use decisions to allow Southern Californians to live closer to where they work and play, and to high-quality transit service. As a result, more residents will be able to use transit and active transportation as a safe and attractive means of travel.

### Location Efficiency

Over **[twice]** as many households will live near high-quality transit

Share of households living in the High-Quality Transit Area will more than double over the plan period, signaling a more efficient overall development pattern in the future.

## Mobility

Delay on our roadway system will improve over today’s condition

Our roadways will be less congested, allowing our region’s residents to spend less time in traffic onboard a bus or behind the wheel, and more time with their families.

## Safety

Not only will residents be more mobile, they will also be safer. This RTP/SCS’s emphasis on safety will result in significantly lower accident rates, giving our residents the peace of mind to travel freely throughout the day and come home to their loved ones every night.

## Economy

We will generate **[500,000]** jobs per year

Not only will the region be more mobile, it will also be more prosperous. An annual average of 174,500 new jobs will be generated by the construction and operations expenditures in the RTP/SCS, and an additional 354,000 annual jobs will be created in a broad cross-section of industries by the region’s increased competitiveness and improved economic performance as a result of the improved transportation system.

## Investment Effectiveness

We will get **[\$2.90]** back for every \$1 spent

The RTP/SCS makes dollar sense. While overall expenditures by 2035 are a significant investment, the region will recover \$2.90 for every \$1 this RTP/SCS commits, which will only help propel the region to more prosperous days ahead.

## Public Participation

The development of the Draft 2012–2035 RTP/SCS involved implementation of one of the most comprehensive and coordinated public participation plans ever undertaken by SCAG. The public and stakeholder involvement program went above and beyond meeting the requirements of SB 375 and the SAFETEA-LU. SCAG engaged the widest range of stakeholder groups, elected officials, special interest groups, and the general public through a series of workshops and public meetings, as well as SCAG’s policy committees, task forces, and subcommittee structure. The input received through this process has truly shaped the Draft 2012–2035 RTP/SCS in a meaningful way. Furthermore, SCAG continued to involve and engage the stakeholders and the public in the process of refining and finalizing the 2012–2035 RTP/SCS through the close of the formal comment period in February 2012. SCAG developed a state-of-the-art video and the iRTP, an interactive RTP/SCS website, that enhanced our capability to engage and involve the stakeholders and the public in shaping the 2012–2035 RTP/SCS in an unprecedented way.

## Strategic Plan—Looking Ahead—Beyond the Horizon

The 2012–2035 RTP/SCS proposes investing over \$524 billion over the next 25 years to improve the quality of life of the region’s residents by enhancing our transportation system. However, additional strategies and projects are needed. The Strategic Plan identifies additional long-term initiatives such as zero- and/or near zero emission transportation strategies, new operational improvements, expanded transit investments and high-speed rail system, as well as increased commitment to active transportation. Although elements of these strategies are included in the financially constrained plan, further work is needed to ensure there is regional consensus and commitment to fund the balance in subsequent RTPs.



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REGIONAL TRANSPORTATION PLAN  
**2012–2035** RTP  
SUSTAINABLE COMMUNITIES STRATEGY  
Towards a Sustainable Future



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**RESOLUTION NO. 12-538-2****A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION  
OF GOVERNMENTS APPROVING THE 2012-2035 REGIONAL  
TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES  
STRATEGY (2012-2035 RTP/SCS); RELATED CONFORMITY  
DETERMINATION; AND RELATED CONSISTENCY  
AMENDMENT #11-24 TO THE 2011 FEDERAL  
TRANSPORTATION IMPROVEMENT PROGRAM**

**WHEREAS**, the Southern California Association of Governments (SCAG) is a Joint Powers Agency established pursuant to California Government Code §6500 et seq.; and

**WHEREAS**, SCAG is the designated Metropolitan Planning Organization (MPO) pursuant to 23 U.S.C. §134(d) for the counties of Los Angeles, Riverside, San Bernardino, Ventura, Orange, and Imperial, and as such, is responsible for preparing and updating the Regional Transportation Plan (RTP) and the Federal Transportation Improvement Program (FTIP) pursuant to 23 U.S.C. §134 et seq., 49 U.S.C. §5303 et seq., and 23 C.F.R. §450.312; and

**WHEREAS**, SCAG is the designated Regional Transportation Planning Agency (RTPA) under state law, and as such, is responsible for preparing, adopting and updating the RTP and Sustainable Communities Strategy every four years pursuant to Government Code §65080 et seq., and for preparing and adopting the FTIP (regional transportation improvement program, under state law) every two years pursuant to Government Code §§ 14527 and 65082, and Public Utilities Code §130301 et seq.; and

**WHEREAS**, pursuant to Senate Bill (SB) 375 (Steinberg, 2008) as codified in Government Code §65080(b) et seq., SCAG must prepare a Sustainable Communities Strategy (SCS) that demonstrates how the region will meet its greenhouse gas (GHG) reduction targets as set forth by the California Air Resources Board (ARB) and that will be incorporated into the RTP. As provided by Government Code §65080(d), the subregional Sustainable Communities Strategy for the subregions of Orange County Council of Governments and Gateway Cities Council of Governments are incorporated in their entirety into the Final 2012-2035 RTP/SCS; and

**WHEREAS**, pursuant to SB 375, ARB set the per capita GHG emission reduction targets from passenger vehicles for the SCAG region at 8% below 2005 per capita emissions levels by 2020 and 13% below 2005 per capita emissions levels by 2035; and

**WHEREAS**, pursuant to Government Code §65080(b)(2)(B), the SCS must: (1) identify the general location of uses, residential densities, and building intensities within the region; (2) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth; (3) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584; (4) identify a transportation network to service the transportation needs of the region; (5) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Government Code Section 65080.01; (6) consider the state housing goals specified in Government Code Sections 65580 and 65581; (7) set forth a forecasted development pattern for the region which when integrated with the transportation network, and other transportation measures and policies, will reduce the GHG emissions from automobiles and light trucks to achieve the GHG reduction targets; and (8) allow the RTP to comply with air quality conformity requirements under the federal Clean Air Act; and

**WHEREAS**, SCAG is further required to comply with the California Environmental Quality Act (“CEQA”) (Cal. Pub. Res. Code § 21000 et seq.) in preparing the 2012-2035 RTP/SCS; and

**WHEREAS**, the 2012-2035 RTP/SCS must be consistent with all other applicable provisions of federal and state law including:

- (1) The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (23 U.S.C. §134 et seq.);
- (2) The metropolitan planning regulations at 23 C.F.R. Part 450, Subpart C;
- (3) California Government Code §65080 et seq.; Public Utilities Code §130058 and 130059; and Public Utilities Code §44243.5;
- (4) §§174 and 176(c) and (d) of the federal Clean Air Act [(42 U.S.C. §§7504 and 7506(c) and (d)] and EPA Transportation Conformity Rule, 40 C.F.R. Parts 51 and 93;

(5) Title VI of the 1964 Civil Rights Act and the Title VI assurance executed by the State pursuant to 23 U.S.C. §324;

(6) The Department of Transportation's Final Environmental Justice Strategy (60 Fed. Reg. 33896; June 29, 1995) enacted pursuant to Executive Order 12898, which seeks to avoid disproportionately high and adverse impacts on minority and low-income populations with respect to human health and the environment;

(7) Title II of the 1990 Americans with Disabilities Act (42 U.S.C. §§12101 et seq.) and accompanying regulations at 49 C.F.R. §27, 37, and 38;

(8) Senate Bill 375 (Steinberg, 2008) as codified in California Government Code §65080(b) et seq.; and

**WHEREAS**, in non-attainment and maintenance areas for transportation-related criteria pollutants, the MPO, as well as the Federal Highways Administration (FHWA) and Federal Transit Administration (FTA), must make a conformity determination on any updated or amended RTP in accordance with the federal Clean Air Act to ensure that federally supported highway and transit project activities conform to the purpose of the State Implementation Plan (SIP); and

**WHEREAS**, transportation conformity is based upon a positive conformity finding with respect to the following tests: (1) regional emissions analysis, (2) timely implementation of Transportation Control Measures, (3) financial constraint, and (4) interagency consultation and public involvement; and

**WHEREAS**, on May 8, 2008, the SCAG Regional Council found the 2008 RTP to be in conformity with the State Implementation Plans for air quality, pursuant to the federal Clean Air Act and Environmental Protection Agency (EPA) Transportation Conformity Rule. Thereafter, FHWA and FTA made a conformity determination on the 2008 RTP with said determination to expire on June 5, 2012; and

**WHEREAS**, on September 2, 2010, in accordance with federal and state requirements, , the SCAG Regional Council approved the 2010/11 – 2015/16 Federal Transportation Improvement Program (2011 FTIP), which was federally approved on December 14, 2010. The 2011 FTIP represents a staged, multi-year, intermodal program of transportation projects which covers six fiscal years and includes a priority list of projects to be carried out in the first four fiscal years; and

**WHEREAS**, SCAG staff has engaged in the continuing, cooperative, and comprehensive transportation planning process mandated by 23 U.S.C. §134(c) (3) and 23 C.F.R. §450.312, resulting in the development of the 2012-2035 RTP/SCS; and

**WHEREAS**, pursuant to Government Code §65080(b)(2)(F) and federal public participation requirements, including 23 C.F.R. §450.316(b)(1)(iv), SCAG must prepare the RTP, including its SCS, by providing adequate public notice of public involvement activities and time for public review. In March 2007, SCAG approved and adopted a Public Participation Plan, to serve as a guide for SCAG’s public involvement process. SCAG staff further enhanced the outreach program by incorporating the public participation requirements of SB 375 and adding strategies to better serve the underrepresented segments of the region. As a result of this process, the SCAG Regional Council adopted Amendments #2 and #3 to the Public Participation Plan on December 3, 2009 and January 5, 2012, respectively; and

**WHEREAS**, pursuant to Government Code §65080(b)(2)(F)(iii), during the summer 2011, SCAG held a series of Sustainable Communities Strategy public workshops throughout the region, with over 700 attendees, including residents, elected officials, representatives of public agencies, community organizations, and environmental, housing and business stakeholders; and

**WHEREAS**, in accordance with the interagency consultation requirements, 40 C.F.R. 93.105, SCAG consulted with the respective transportation and air quality planning agencies, including but not limited to, extensive discussion of the Draft Conformity Report before the Transportation Conformity Working Group (a forum for implementing the interagency consultation requirements) throughout the 2012-2035 RTP/SCS update process; and

**WHEREAS**, SCAG released the Draft 2012-2035 RTP/SCS and the associated Draft Amendment #11-24 to the 2011 FTIP and issued a Notice of Availability, for a 55-day public review and comment period that began on December 20, 2011 and ended on February 14, 2012; and

**WHEREAS**, the Draft Program Environmental Impact Report for the 2012-2035 RTP/SCS (PEIR), was released on December 30, 2011 for a 45-day public review and comment period ending on February 14, 2012; and

**WHEREAS**, as part of a “bottom up” planning process, SCAG followed the provisions of its adopted Public Participation Plan regarding public involvement activities for the Draft 2012-2035 RTP/SCS. Public outreach efforts included publication of the Draft 2012-2035 RTP/SCS on an interactive web site, distribution of public information materials, six duly-noticed public hearings, and twelve subregional workshops within the SCAG region to allow stakeholders, elected officials and the public to comment on the Draft 2012-2035 RTP/SCS and the Draft PEIR; and

**WHEREAS**, during the public review and comment period, SCAG received over 260 individual communications (over 1,800 separate comments) in total, regarding either the Draft 2012-2035 RTP/SCS or Draft PEIR, or both; and approximately 2 comments on the Draft Amendment 11-24 to the 2011 FTIP; and

**WHEREAS**, SCAG staff presented an overview of the comments received on the Draft PEIR, and a proposed approach to the responses, to the Policy Committees and Regional Council at a joint meeting on February 21, 2012; and

**WHEREAS**, SCAG staff further presented an overview of the comments received on the Draft 2012-2035 RTP/SCS, and a proposed approach to the responses, to the RTP Subcommittee on February 28, 2012 and to the Policy Committees and Regional Council at a joint meeting on March 1, 2012. Each of the comments, letters, and e-mails received was made available on the SCAG web page on March 1, 2012; and

**WHEREAS**, SCAG staff responses to each comment are provided in the Final 2012-2035 RTP/SCS, Public Participation and Consultation Appendix; and

**WHEREAS**, in accordance with the interagency consultation requirements, 40 C.F.R. 93.105, SCAG consulted with the respective transportation and air quality planning agencies, including but not limited to, extensive discussion of the Draft 2012-2035 RTP/SCS Conformity Report before the Transportation Conformity Working Group (a forum for implementing the interagency consultation requirements) throughout the update process; and

**WHEREAS**, the Final 2012-2035 RTP/SCS includes a financially constrained plan and a strategic plan. The constrained plan includes transportation projects that have committed, available or reasonably available revenue sources, and thus are probable for implementation. The strategic plan is an illustrative list of additional transportation investments that the region would pursue if additional funding and regional commitment were secured; and such investments are potential candidates for inclusion in the constrained RTP/SCS through future amendments or updates. The strategic plan is provided for information purposes only and is not part of the financially constrained and conforming Final 2012-2035 RTP/SCS; and

**WHEREAS**, the Final 2012-2035 RTP/SCS includes a financial plan identifying the revenues committed, available or reasonably available to support the SCAG region's surface transportation investments. The financial plan was developed following basic principles including incorporation of county and local financial planning documents in the region where available, and utilization of published data sources to evaluate historical trends and augment local forecasts as needed; and

**WHEREAS**, the Transportation Conformity Report contained in the Final 2012-2035 RTP/SCS makes a positive transportation conformity determination. Using the final motor vehicle emission budgets released by ARB and found to be adequate by the U.S. Environmental Protection Agency (EPA), this conformity determination is based upon staff's analysis of the applicable transportation conformity tests; and

**WHEREAS**, each project or project phase included in the FTIP must be consistent with the approved RTP, pursuant to 23 C.F.R. §450.324(g). Amendment #11-24 to the 2011 FTIP has been prepared to ensure consistency with the Final 2012-2035 RTP/SCS; and

**WHEREAS**, conformity of Amendment #11-24 to the FTIP has been determined simultaneously with the 2012 Final RTP/SCS in order to address the consistency requirement of federal law; and

**WHEREAS**, prior to the adoption of this resolution, the Regional Council certified the Final PEIR prepared for the 2012-2035 RTP/SCS to be in compliance with CEQA; and

**WHEREAS**, the Regional Council has had the opportunity to review the 2012 Final RTP/SCS and its related appendices as well as the staff report related to the 2012 Final RTP/SCS, and consideration of the 2012 Final RTP/SCS was made by the Regional Council as part of a public meeting held on April 5, 2012.

**NOW, THEREFORE BE IT RESOLVED**, by the Regional Council of the Southern California Association of Governments, as follows:

1. The Regional Council approves and adopts the Final 2012-2035 RTP/SCS for the purpose of complying with the requirements of SAFETEA-LU and all other applicable laws and regulations as referenced in the above recitals. In adopting this Final 2012-2035 RTP/SCS, the Regional Council finds as follows:

- a. The Final 2012-2035 RTP/SCS complies with all applicable federal and state requirements, including the SAFETEA-LU planning provisions. Specifically, the Final 2012-2035 RTP/SCS fully addresses the requirements relating to the development and content of metropolitan transportation plans as set forth in 23 C.F.R. §450.322 et seq., including issues relating to: transportation demand, operational and management strategies, safety and security, environmental mitigation, the need for a financially constrained plan, consultation and public participation, and transportation conformity; and

- b. The Final 2012-2035 RTP/SCS complies with the emission reduction targets established by the California Air Resources Board and meets the requirements of Senate Bill 375 (Steinberg, 2008) as codified in Government Code §65080(b) et seq. by achieving per capita GHG emission reductions relative to 2005 of 9% by 2020 and 16% by 2035; and
  2. The Regional Council hereby makes a positive transportation conformity determination of the Final 2012-2035 RTP/SCS and Amendment #11-24 to the 2011 FTIP. In making this determination, the Regional Council finds as follows:
    - a. The Final 2012-2035 RTP/SCS and Amendment #11-24 to the 2011 FTIP passes the four tests and analyses required for conformity, namely: regional emissions analysis; timely implementation of Transportation Control Measures; financial constraint analysis; and interagency consultation and public involvement; and
    3. In approving the Final 2012-2035 RTP/SCS, the Regional Council also approves and adopts Amendment #11-24 to the 2011 FTIP, in compliance with the federal requirement of consistency with the RTP; and
    4. In approving the Final 2012-2035 RTP/SCS, the Regional Council incorporates all of the foregoing recitals into this Resolution; and
    5. SCAG's Executive Director or his designee is authorized to transmit the Final 2012-2035 RTP/SCS and its conformity findings to the FTA and the FHWA to make the final conformity determination in accordance with the Federal Clean Air Act and EPA Transportation Conformity Rule, 40 C.F.R. Parts 51 and 93.

**APPROVED AND ADOPTED** by the Regional Council of the Southern California Association of Governments at its regular meeting on the 4th day of April, 2012.

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Pam O'Connor  
President  
Councilmember, City of Santa Monica

[Signatures on Following Page]

Attest:

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Hasan Ikhata  
Executive Director

Approved as to Form:

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Joanna Africa  
Chief Counsel



**ASSOCIATION of GOVERNMENTS**

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Human Development  
Bill Jahn, Big Bear Lake

Energy & Environment  
Margaret Clark, Rosemead

Transportation  
Paul Glaab, Laguna Niguel

**RESOLUTION NO. 12-538-2**

**A RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS APPROVING THE 2012-2035 REGIONAL TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGY (2012-2035 RTP/SCS); RELATED CONFORMITY DETERMINATION; AND RELATED CONSISTENCY AMENDMENT #11-24 TO THE 2011 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM**

**WHEREAS**, the Southern California Association of Governments (SCAG) is a Joint Powers Agency established pursuant to California Government Code §6500 et seq.; and

**WHEREAS**, SCAG is the designated Metropolitan Planning Organization (MPO) pursuant to 23 U.S.C. §134(d) for the counties of Los Angeles, Riverside, San Bernardino, Ventura, Orange, and Imperial, and as such, is responsible for preparing and updating the Regional Transportation Plan (RTP) and the Federal Transportation Improvement Program (FTIP) pursuant to 23 U.S.C. §134 et seq., 49 U.S.C. §5303 et seq., and 23 C.F.R. §450.312; and

**WHEREAS**, SCAG is the designated Regional Transportation Planning Agency (RTPA) under state law, and as such, is responsible for preparing, adopting and updating the RTP and Sustainable Communities Strategy every four years pursuant to Government Code §65080 et seq., and for preparing and adopting the FTIP (regional transportation improvement program, under state law) every two years pursuant to Government Code §§ 14527 and 65082, and Public Utilities Code §130301 et seq.; and

**WHEREAS**, pursuant to Senate Bill (SB) 375 (Steinberg, 2008) as codified in Government Code §65080(b) et seq., SCAG must prepare a Sustainable Communities Strategy (SCS) that demonstrates how the region will meet its greenhouse gas (GHG) reduction targets as set forth by the California Air Resources Board (ARB) and that will be incorporated into the RTP. As provided by Government Code §65080(d), the subregional Sustainable Communities Strategy for the subregions of Orange County Council of Governments and Gateway Cities Council of Governments are incorporated in their entirety into the Final 2012-2035 RTP/SCS; and

**WHEREAS**, pursuant to SB 375, ARB set the per capita GHG emission reduction targets from passenger vehicles for the SCAG region at 8% below 2005 per capita emissions levels by 2020 and 13% below 2005 per capita emissions levels by 2035; and

**WHEREAS**, pursuant to Government Code §65080(b)(2)(B), the SCS must: (1) identify the general location of uses, residential densities, and building intensities within the region; (2) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth; (3) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584; (4) identify a transportation network to service the transportation needs of the region; (5) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Government Code Section 65080.01; (6) consider the state housing goals specified in Government Code Sections 65580 and 65581; (7) set forth a forecasted development pattern for the region which when integrated with the transportation network, and other transportation measures and policies, will reduce the GHG emissions from automobiles and light trucks to achieve the GHG reduction targets; and (8) allow the RTP to comply with air quality conformity requirements under the federal Clean Air Act; and

**WHEREAS**, SCAG is further required to comply with the California Environmental Quality Act (“CEQA”) (Cal. Pub. Res. Code § 21000 et seq.) in preparing the 2012-2035 RTP/SCS; and

**WHEREAS**, the 2012-2035 RTP/SCS must be consistent with all other applicable provisions of federal and state law including:

- (1) The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (23 U.S.C. §134 et seq.);
- (2) The metropolitan planning regulations at 23 C.F.R. Part 450, Subpart C;
- (3) California Government Code §65080 et seq.; Public Utilities Code §130058 and 130059; and Public Utilities Code §44243.5;
- (4) §§174 and 176(c) and (d) of the federal Clean Air Act [(42 U.S.C. §§7504 and 7506(c) and (d)] and EPA Transportation Conformity Rule, 40 C.F.R. Parts 51 and 93;

(5) Title VI of the 1964 Civil Rights Act and the Title VI assurance executed by the State pursuant to 23 U.S.C. §324;

(6) The Department of Transportation's Final Environmental Justice Strategy (60 Fed. Reg. 33896; June 29, 1995) enacted pursuant to Executive Order 12898, which seeks to avoid disproportionately high and adverse impacts on minority and low-income populations with respect to human health and the environment;

(7) Title II of the 1990 Americans with Disabilities Act (42 U.S.C. §§12101 et seq.) and accompanying regulations at 49 C.F.R. §27, 37, and 38;

(8) Senate Bill 375 (Steinberg, 2008) as codified in California Government Code §65080(b) et seq.; and

**WHEREAS**, in non-attainment and maintenance areas for transportation-related criteria pollutants, the MPO, as well as the Federal Highways Administration (FHWA) and Federal Transit Administration (FTA), must make a conformity determination on any updated or amended RTP in accordance with the federal Clean Air Act to ensure that federally supported highway and transit project activities conform to the purpose of the State Implementation Plan (SIP); and

**WHEREAS**, transportation conformity is based upon a positive conformity finding with respect to the following tests: (1) regional emissions analysis, (2) timely implementation of Transportation Control Measures, (3) financial constraint, and (4) interagency consultation and public involvement; and

**WHEREAS**, on May 8, 2008, the SCAG Regional Council found the 2008 RTP to be in conformity with the State Implementation Plans for air quality, pursuant to the federal Clean Air Act and Environmental Protection Agency (EPA) Transportation Conformity Rule. Thereafter, FHWA and FTA made a conformity determination on the 2008 RTP with said determination to expire on June 5, 2012; and

**WHEREAS**, on September 2, 2010, in accordance with federal and state requirements, , the SCAG Regional Council approved the 2010/11 – 2015/16 Federal Transportation Improvement Program (2011 FTIP), which was federally approved on December 14, 2010. The 2011 FTIP represents a staged, multi-year, intermodal program of transportation projects which covers six fiscal years and includes a priority list of projects to be carried out in the first four fiscal years; and

**WHEREAS**, SCAG staff has engaged in the continuing, cooperative, and comprehensive transportation planning process mandated by 23 U.S.C. §134(c) (3) and 23 C.F.R. §450.312, resulting in the development of the 2012-2035 RTP/SCS; and

**WHEREAS**, pursuant to Government Code §65080(b)(2)(F) and federal public participation requirements, including 23 C.F.R. §450.316(b)(1)(iv), SCAG must prepare the RTP, including its SCS, by providing adequate public notice of public involvement activities and time for public review. In March 2007, SCAG approved and adopted a Public Participation Plan, to serve as a guide for SCAG's public involvement process. SCAG staff further enhanced the outreach program by incorporating the public participation requirements of SB 375 and adding strategies to better serve the underrepresented segments of the region. As a result of this process, the SCAG Regional Council adopted Amendments #2 and #3 to the Public Participation Plan on December 3, 2009 and January 5, 2012, respectively; and

**WHEREAS**, pursuant to Government Code §65080(b)(2)(F)(iii), during the summer 2011, SCAG held a series of Sustainable Communities Strategy public workshops throughout the region, with over 700 attendees, including residents, elected officials, representatives of public agencies, community organizations, and environmental, housing and business stakeholders; and

**WHEREAS**, in accordance with the interagency consultation requirements, 40 C.F.R. 93.105, SCAG consulted with the respective transportation and air quality planning agencies, including but not limited to, extensive discussion of the Draft Conformity Report before the Transportation Conformity Working Group (a forum for implementing the interagency consultation requirements) throughout the 2012-2035 RTP/SCS update process; and

**WHEREAS**, SCAG released the Draft 2012-2035 RTP/SCS and the associated Draft Amendment #11-24 to the 2011 FTIP and issued a Notice of Availability, for a 55-day public review and comment period that began on December 20, 2011 and ended on February 14, 2012; and

**WHEREAS**, the Draft Program Environmental Impact Report for the 2012-2035 RTP/SCS (PEIR), was released on December 30, 2011 for a 45-day public review and comment period ending on February 14, 2012; and

**WHEREAS**, as part of a "bottom up" planning process, SCAG followed the provisions of its adopted Public Participation Plan regarding public involvement activities for the Draft 2012-2035 RTP/SCS. Public outreach efforts included publication of the Draft 2012-2035 RTP/SCS on an interactive web site, distribution of public information materials, six duly-noticed public hearings, and twelve subregional workshops within the SCAG region to allow stakeholders, elected officials and the public to comment on the Draft 2012-2035 RTP/SCS and the Draft PEIR; and

**WHEREAS**, during the public review and comment period, SCAG received over 260 individual communications (over 1,800 separate comments) in total, regarding either the Draft 2012-2035 RTP/SCS or Draft PEIR, or both; and approximately 2 comments on the Draft Amendment 11-24 to the 2011 FTIP; and

**WHEREAS**, SCAG staff presented an overview of the comments received on the Draft PEIR, and a proposed approach to the responses, to the Policy Committees and Regional Council at a joint meeting on February 21, 2012; and

**WHEREAS**, SCAG staff further presented an overview of the comments received on the Draft 2012-2035 RTP/SCS, and a proposed approach to the responses, to the RTP Subcommittee on February 28, 2012 and to the Policy Committees and Regional Council at a joint meeting on March 1, 2012. Each of the comments, letters, and e-mails received was made available on the SCAG web page on March 1, 2012; and

**WHEREAS**, SCAG staff responses to each comment are provided in the Final 2012-2035 RTP/SCS, Public Participation and Consultation Appendix; and

**WHEREAS**, in accordance with the interagency consultation requirements, 40 C.F.R. 93.105, SCAG consulted with the respective transportation and air quality planning agencies, including but not limited to, extensive discussion of the Draft 2012-2035 RTP/SCS Conformity Report before the Transportation Conformity Working Group (a forum for implementing the interagency consultation requirements) throughout the update process; and

**WHEREAS**, the Final 2012-2035 RTP/SCS includes a financially constrained plan and a strategic plan. The constrained plan includes transportation projects that have committed, available or reasonably available revenue sources, and thus are probable for implementation. The strategic plan is an illustrative list of additional transportation investments that the region would pursue if additional funding and regional commitment were secured; and such investments are potential candidates for inclusion in the constrained RTP/SCS through future amendments or updates. The strategic plan is provided for information purposes only and is not part of the financially constrained and conforming Final 2012-2035 RTP/SCS; and

**WHEREAS**, the Final 2012-2035 RTP/SCS includes a financial plan identifying the revenues committed, available or reasonably available to support the SCAG region's surface transportation investments. The financial plan was developed following basic principles including incorporation of county and local financial planning documents in the region where available, and utilization of published data sources to evaluate historical trends and augment local forecasts as needed; and

**WHEREAS**, the Transportation Conformity Report contained in the Final 2012-2035 RTP/SCS makes a positive transportation conformity determination. Using the final motor vehicle emission budgets released by ARB and found to be adequate by the U.S. Environmental Protection Agency (EPA), this conformity determination is based upon staff's analysis of the applicable transportation conformity tests; and

**WHEREAS**, each project or project phase included in the FTIP must be consistent with the approved RTP, pursuant to 23 C.F.R. §450.324(g). Amendment #11-24 to the 2011 FTIP has been prepared to ensure consistency with the Final 2012-2035 RTP/SCS; and

**WHEREAS**, conformity of Amendment #11-24 to the FTIP has been determined simultaneously with the 2012 Final RTP/SCS in order to address the consistency requirement of federal law; and

**WHEREAS**, prior to the adoption of this resolution, the Regional Council certified the Final PEIR prepared for the 2012-2035 RTP/SCS to be in compliance with CEQA; and

**WHEREAS**, the Regional Council has had the opportunity to review the 2012 Final RTP/SCS and its related appendices as well as the staff report related to the 2012 Final RTP/SCS, and consideration of the 2012 Final RTP/SCS was made by the Regional Council as part of a public meeting held on April 5, 2012.

**NOW, THEREFORE BE IT RESOLVED**, by the Regional Council of the Southern California Association of Governments, as follows:

1. The Regional Council approves and adopts the Final 2012-2035 RTP/SCS for the purpose of complying with the requirements of SAFETEA-LU and all other applicable laws and regulations as referenced in the above recitals. In adopting this Final 2012-2035 RTP/SCS, the Regional Council finds as follows:

- a. The Final 2012-2035 RTP/SCS complies with all applicable federal and state requirements, including the SAFETEA-LU planning provisions. Specifically, the Final 2012-2035 RTP/SCS fully addresses the requirements relating to the development and content of metropolitan transportation plans as set forth in 23 C.F.R. §450.322 et seq., including issues relating to: transportation demand, operational and management strategies, safety and security, environmental mitigation, the need for a financially constrained plan, consultation and public participation, and transportation conformity; and

b. The Final 2012-2035 RTP/SCS complies with the emission reduction targets established by the California Air Resources Board and meets the requirements of Senate Bill 375 (Steinberg, 2008) as codified in Government Code §65080(b) et seq. by achieving per capita GHG emission reductions relative to 2005 of 9% by 2020 and 16% by 2035; and

2. The Regional Council hereby makes a positive transportation conformity determination of the Final 2012-2035 RTP/SCS and Amendment #11-24 to the 2011 FTIP. In making this determination, the Regional Council finds as follows:

a. The Final 2012-2035 RTP/SCS and Amendment #11-24 to the 2011 FTIP passes the four tests and analyses required for conformity, namely: regional emissions analysis; timely implementation of Transportation Control Measures; financial constraint analysis; and interagency consultation and public involvement; and

3. In approving the Final 2012-2035 RTP/SCS, the Regional Council also approves and adopts Amendment #11-24 to the 2011 FTIP, in compliance with the federal requirement of consistency with the RTP; and

4. In approving the Final 2012-2035 RTP/SCS, the Regional Council incorporates all of the foregoing recitals into this Resolution; and

5. SCAG's Executive Director or his designee is authorized to transmit the Final 2012-2035 RTP/SCS and its conformity findings to the FTA and the FHWA to make the final conformity determination in accordance with the Federal Clean Air Act and EPA Transportation Conformity Rule, 40 C.F.R. Parts 51 and 93.

**APPROVED AND ADOPTED** by the Regional Council of the Southern California Association of Governments at its regular meeting on the 4th day of April, 2012.

  
\_\_\_\_\_  
Pam O'Connor  
President  
Councilmember, City of Santa Monica

[Signatures on Following Page]

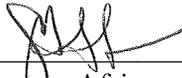
Attest:



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Hasan Ikhata  
Executive Director

Approved as to Form:



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Joanna Africa  
Chief Counsel