

New Housing Laws

Changes and Impacts

Joe Carreras, Lead Regional Planner

Southern California Association of Governments

The Region



- 6 Counties
- 187 Cities
- 38,000 square miles
- 18 million people
- 10th largest economy in the world



Resolving Regional Challenges

1.5 million people added between 2000 and 2004

Population Growth Swamps Entitlement Process and Transportation System

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RHNA Performance Summary

- Nearly 1/2 million permits issued over the current RHNA cycle
- Collectively, Region exceeds targets, but production is still not enough
- Median Home Price bid up to \$500,000, while median household income is just over \$50,000

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RHNA Performance Summary

- Eleven of 14 subregions meet targets, but more than 1/2 of all jurisdictions fall short
- Highest performing subregions for construction are lowest performing in affordable category, while highest performing in affordable category are lowest in attracting market rate housing

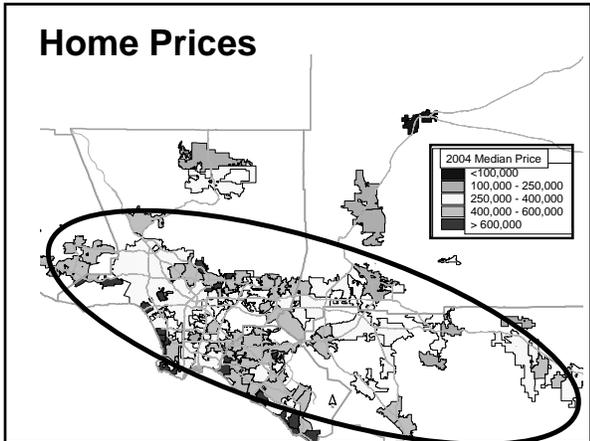
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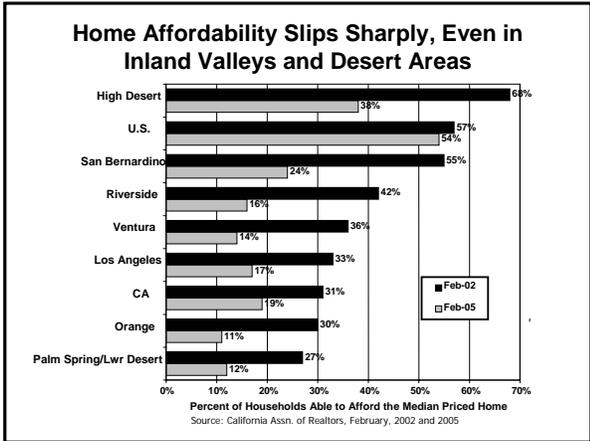
SCAG RHNA Allocation (January 1998 - June 2005) and Housing Performance (January 1998 - February 2005) by County and Subregion

SCAG County and Subregion	RHNA Total Construction Need ¹	New Housing Units Permitted ² 1/1998 through 2/2005	Building Permit Issuance as a Percent of Total Construction Need ²
Imperial County	12,500	6,983	56%
LA County Total	179,003	132,567	74%
LA County Unincorp.	52,202	21,682	37%
Antoyo Verdugo	6,473	2,689	32%
City of Los Angeles	60,481	51,600	85%
Gateway Cities	11,077	7,844	71%
Las Virgenes	475	1,658	349%
North LA County	24,240	19,116	79%
San Gabriel	12,313	15,762	128%
South Bay	6,218	8,308	134%
Westside Cities	3,524	3,898	111%
Orange County	75,502	75,125	100%
Riverside County Total	93,593	152,475	163%
Riverside County Unincorp.	30,877	47,078	153%
Coachella Valley	8,451	35,881	425%
Western Riverside	54,465	69,516	128%
San Bernardino County	57,652	72,244	125%
Ventura County	19,734	24,295	123%
SCAG Region Total	437,984	463,679	106%

¹ RHNA Planning Period: January 1, 1998 through June 30, 2005

² The RHNA Planning Period is 90 months long. As of February 2005, eighty-six months or 95.6% of the planning period has passed. Subregions that have permitted new housing units for 95.6% or more of their needs are meeting or exceeding their goals. These subregions are highlighted in bold text.





Affordable Home Price **\$300,000**

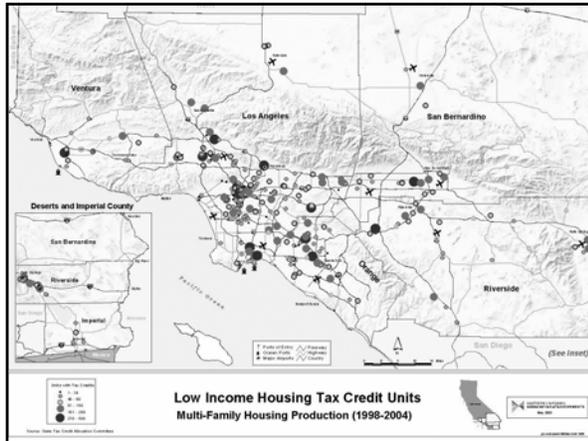
Down Payment **\$30,000** Assuming 10%

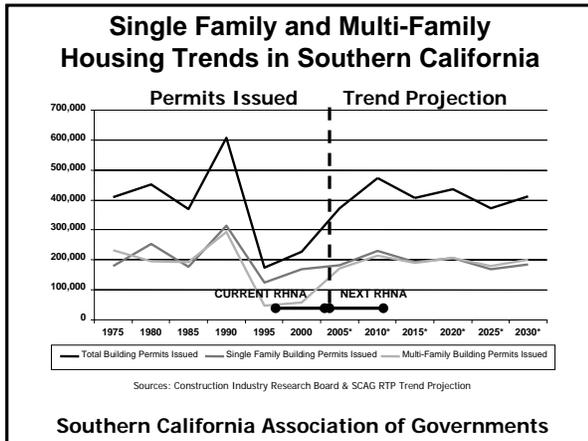
Qualifying Income **\$84,000 - \$108,000** Assuming 28% - 36%

Total Monthly Payment **\$2,400** Includes PMI

Source: LA Times, Income Calculator Results

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New Housing Laws AB 2158 and AB 2348

- **Regional Housing Needs Assessment and Housing Element reform**
- **Subregional Delegation**
- **Continued efforts to reform housing laws and building rules**

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Positive Changes

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Regional Perspective

- Better coordination with other regional plans, notably the RTP. Includes option to utilize RTP schedule and 6 year planning horizon
- More specific definition of sub-regional roles and expanded responsibilities

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Regional Perspective

- Better consultation process on regional total number, including official appeal
- Better definition of responsibilities. Less open ended on local allocation methodology and appeals process

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Local Perspective

- Explicit opportunity to submit information to the COG.
- Clearer definitions of responsibility, more predictable process.
- More public process, more transparency.

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Housing Perspective

- Much clearer definition of adequate sites/by right responsibilities in the Housing Element should lead to more housing.

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Bad/Questionable, or Remains to be Seen Changes

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Regional Perspective

- Process has more required steps, and will almost certainly take longer
- Required methodology factors are too numerous, and several lack usable data sources
- Local survey will create surplus of information with no clear direction on how to use it. Could create unreasonable expectations for locals

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Regional Perspective

- Complex residential land suitability analysis
- A down turn in permit issuance will cause communities and subregions to waiver on numbers
- New fee based approach for funding RHNA process!

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Subregional Delegation

- Formation of subregional entities: terms and conditions compact
- Expectations are high: local survey, public hearings, draft methodology & required factors
- Fair Share and social equity issues related to "Countywide distribution"

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Subregional Delegation

- Conflict resolution and mediation
- Appeals: Region-Subregion, County-City and City-City Issues
- The 7% dilemma and possible adjustments to non-appealing jurisdictions
- Funding uncertainty and liability protection

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Local Perspective:

- Process will be hard to follow, especially in the far flung SCAG region
- Incentive to minimize need as strong as ever
- Incentive to appeal
- No substantial improvements on trade and transfer

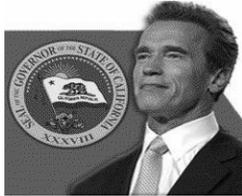
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Local Perspective:

- Little substantial improvements on rehab credit
- No agreement on local/performance-based certification
- Assessing builders for RHNA fee reimbursement!

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The Governor's Reform Proposal



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Governor's Reform Proposal

- Calls for cities and counties to designate enough land to meet 20 years of housing needs - "Take Care of their Own."
- Expands by-right housing development with certain minimum densities to prevent cities and counties from adding permit conditions in areas zoned for housing

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Governor's Reform Proposal

- Housing elements would be updated only once a decade (rather than every five years)
- Additional reporting requirements and potential fines for noncompliance
- Calls for cracking down on ballot measures that restrict growth and limit environmental review of a project if there has been prior environmental analysis

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Thank You

Joe Carreras, Frank Wen, Hsi-hwa Hu, and Jacob Lieb

please visit us at www.scag.ca.gov
