

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

**California's Housing Future 2040: The Next Regional Housing Needs Allocation (RHNA) Sounding Board Meeting #1**

Topics: Kick-off & Regional Housing Needs Determination (RHND)-related Questions: Homelessness, Cost Burden, Jobs/Housing, & Comparable Regions

Wednesday May 3, 2023, 3:00 – 5:00 PM

California's Housing Future 2040 Background: AB 101 (2019) directs HCD to engage stakeholders and collaborate with the Office of Planning and Research (OPR) to develop recommendations related to the Regional Housing Needs Allocation (RHNA) process and methodology. Upon completion of this stakeholder engagement process, HCD will compile its findings and recommendations, and will submit a report to the Legislature by December 31, 2023.

Sounding Board Role: HCD is convening a Sounding Board of approximately 30 stakeholders as part of this stakeholder engagement initiative. This Sounding Board will be focused on a series of specific, technical questions where HCD is looking for targeted ideas or feedback to consider when drafting the recommendation report; the Sounding Board will not be a decision-making body. The Sounding Board will be one of the mechanisms for providing feedback on California's Housing Future 2040: The Next RHNA. All stakeholders will have opportunities to provide feedback throughout the process: 1) Responding to the Survey mentioned above, 2) Providing comments on the topics covered in the Sounding Board meetings, see below, and 3) Providing comments anytime throughout the process to the main email box CAHousingFuture2040@hcd.ca.gov (note HCD appreciates comments by September 15, 2023).

Public Comments: HCD will post Sounding Board agendas on its website one week in advance of Sounding Board meetings. These meetings will not be open to the public, but the public is welcome to submit written public comments regarding the meeting agenda items with the subject line "Sounding Board agenda comment" to CAHousingFuture2040@hcd.ca.gov. HCD recommends that comments be submitted at least 24 hours in advance of meetings, but HCD will continue to consider public comments submitted after the meeting. HCD will review and consider all public comments that are submitted and may share submitted public comments with Sounding Board attendees.

Meeting Goals: The goal of this meeting will be to dive deep and create possible ideas for ways to better capture existing housing needs and address identified Regional Housing Needs Determination (RHND)-related questions.

Sounding Board Meeting #1 Proposed Agenda

Time	Topic	Who
3:00 – 3:20 PM	<p>Welcome, Opening Remarks, Sounding Board Format & Expectations, and Review Agenda</p> <ul style="list-style-type: none"> • <i>Introduce yourself in the chat with Name (pronouns), Organization/Title</i> 	<ul style="list-style-type: none"> • <i>HCD staff</i> • <i>Facilitator</i>
3:20 – 3:45 PM	<p>Homelessness Discussion</p> <ul style="list-style-type: none"> • <i>How can we leverage the RHNA process to account for unhoused populations and plan for sufficient shelter, transitional, and permanent housing options?</i> • <i>Are there ways to better account for homelessness need through income categorization (extremely low, acutely low categories) in the RHNA process? What would be the impact on housing elements and the identification of sites for emergency shelters?</i> 	<ul style="list-style-type: none"> • <i>HCD staff (introduce topic)</i> • <i>Facilitator</i> • <i>Sounding Board members</i>
3:45 – 4:10 PM	<p>Cost Burden Discussion</p> <ul style="list-style-type: none"> • <i>HCD is considering three options for how to better capture housing needs that stem from cost burden in the RHND process. What do stakeholders think about these three options?</i> <ul style="list-style-type: none"> ○ <i>Apply the cost burden adjustment to the entire existing population in addition to the projected population</i> ○ <i>Apply one adjustment to the projected population based on the average cost burden rate among lower and higher income households</i> ○ <i>Have HCD determine a healthy cost burden rate and make the adjustment to the projected population based on that rate rather than the national average</i> 	<ul style="list-style-type: none"> • <i>HCD staff (introduce topic)</i> • <i>Facilitator</i> • <i>Sounding Board members</i>
4:10 – 4:35 PM	<p>Jobs/Housing Discussion</p> <ul style="list-style-type: none"> • <i>HCD created a new methodology for considering jobs/housing imbalances during the determination process. The new methodology increases determinations for regions with a net inflow of commuters, and also checks to make sure the RHND will result in a reasonable jobs/housing balance at the regional level.</i> 	<ul style="list-style-type: none"> • <i>HCD staff (introduce topic)</i> • <i>Facilitator</i> • <i>Sounding Board members</i>

	<ul style="list-style-type: none"> ○ Are there any recommendations for how to improve this new methodology? ○ Should HCD consider decreasing the RHND in regions with a net outflow of commuters? ○ Are there any other changes that could be made to the RHNA process to better address jobs/housing imbalances throughout the state? 	
<p>4:35 – 4:55 PM</p>	<p>Comparable Regions Discussion (note: if short on time, this agenda item will be moved to the 4th Sounding Board meeting on 6/5/23)</p> <ul style="list-style-type: none"> ● Does the comparable regions analysis process provide benefit, or should statute set healthy benchmarks for cost burden and overcrowding that are at or below the national average (see the 5% rental vacancy rate as an example)? <ul style="list-style-type: none"> ○ Would you support removing the comparable regions analysis process from the RHNA process? ○ Do you think the state should establish benchmarks below the national average based on what rates the literature indicates would be present in a healthy housing market, or should the state use the national average as a benchmark? ○ If the state keeps the comparable regions analysis process, HCD will release standard criteria that it will use to review and approve analyses. HCD created a draft of this criteria in response to the 2022 Audit. <ul style="list-style-type: none"> ▪ Are there any recommendations on how to improve this review criteria? 	<ul style="list-style-type: none"> ● HCD staff (introduce topic) ● Facilitator ● Sounding Board members
<p>4:55 – 5:00 PM</p>	<p>Next Steps and Wrap Up</p> <ul style="list-style-type: none"> ● What worked well today? ● Any suggested format changes for when we meet next? 	<ul style="list-style-type: none"> ● HCD staff ● Facilitator

Background Reading Materials: HCD has provided the following background reading materials ([available on the RHNA webpage](#)) to help inform the meeting discussion.

These include the following:

- HCD’s Jobs/Housing Balance Adjustment Overview
 - Alpine County 7th Cycle Final Determination Letter Example
- Background on the Existing Comparable Regions Analysis Process
 - ABAG 6th Cycle Comparable Regions Analysis Example
 - Fresno COG 6th Cycle Comparable Regions Analysis Example
 - SBCAG 6th Cycle Comparable Regions Analysis Example
 - StanCOG 6th Cycle Comparable Regions Analysis Example

Upcoming Meeting Schedule

	Date	Topics
Meeting #2	Monday May 15, 2023	Affirmatively Furthering Fair Housing (AFFH) & Furthering Statutory Objectives of RHNA
Meeting #3	Wednesday May 31, 2023	Housing + Transportation Planning Alignment & Climate Change
Meeting #4	Monday June 5, 2023	Process Improvements & Overflow from Previous Meetings