

Missing the Mark

Examining the
Shortcomings
of California's
Housing Goals



PRODUCED BY

Next 10

F. Noel Perry
Colleen Kredell
Marcia E. Perry
Stephanie Leonard

PREPARED BY

Beacon Economics

Adam Fowler
Hoyu Chong

DESIGN BY

José Fernandez

ONLINE AT

www.next10.org

NEXT 10 is an independent nonpartisan organization that educates, engages and empowers Californians to improve the state's future.

Next 10 is focused on innovation and the intersection between the economy, the environment, and quality of life issues for all Californians. We provide critical data to help inform the state's efforts to grow the economy and reduce greenhouse gas emissions. Next 10 was founded in 2003 by businessman and philanthropist F. Noel Perry.

A PROJECT OF



Executive Summary	4
<hr/>	
Introduction	8
Background: Regional Housing Needs Assessment Process	9
Analysis: Grading California Jurisdictions on RHNA Progress	10
<hr/>	
Annual Progress Report Submission Evaluation	11
RHNA Progress by Income Level	14
<i>Very Low Income</i>	17
<i>Low Income</i>	19
<i>Moderate Income</i>	21
<i>Above Moderate Income</i>	22
Imbalance in Progress: Lack of Development vs. Misallocation of Housing Permits	23
<hr/>	
Assessing Performance of Jurisdictions That Have Not Submitted an APR	25
Assessing HCD Permit Data	25
<hr/>	
Beyond the RHNA APR: Scorecards for Jurisdictions with Permit Data by Income Level	27
Low Bar vs. High Grade	29
<hr/>	
Conclusion	33
<hr/>	
Appendix	35

Executive Summary

The state of California continues to experience a housing crisis. Supply has not met demand for years, and it has become increasingly difficult to develop an adequate stock of affordable housing units, forcing some residents to move further away from job centers or out of state entirely order to find affordable housing. While 200,000 units of housing are needed annually to keep up with population growth, only 113,000 were permitted in 2017, and fewer than 750,000 units were permitted since 2007, accounting for only 40 percent of the projected need.¹

The state's primary tool to address the housing construction shortage is referred to as the Regional Housing Needs Assessment (RHNA, pronounced "reena"), a set of housing development targets set by region.

The original housing element law, enacted in 1969, sought to ensure that communities across the state were building housing for "all economic segments of the community."² The Department of Housing and Community Development (HCD) is tasked with determining how much new housing is needed in all regions of the state, based on population forecasts from the Department of Finance. HCD then works with local councils of government (COGs) to finalize numbers as part of the local government's general plan housing element, which is then updated every several years as part of a new RHNA cycle. The state is currently in the 5th RHNA cycle, which lasts either five or eight years, depending on the region.

By synthesizing RHNA performance data across income levels and jurisdictions and "scoring" jurisdictions on performance, this brief sheds light on areas of the state that are far behind, doing well, or might need to reconsider changing the housing development targets themselves to reflect true housing needs.

In order to meaningfully address the state's housing affordability and availability crisis, it will be critical for local and state governments to not only progress toward these

housing development goals, but also ensure that targets themselves are addressing true local needs. What began as an attempt to hold regions accountable for providing adequate housing has since failed to serve its original purpose – and is now partially responsible for the affordability and availability issues plaguing California, exacerbating the very issues it sought to alleviate.

While a number of recent bills in California have sought to increase transparency, accountability and enforcement of RHNA, the process through which the goals themselves are development may need to be reexamined.

Key takeaways from the analysis of regional performance against RHNA housing development targets include:

One out of every six jurisdictions in the state is not participating in RHNA reporting process

The RHNA annual progress report (APR) forms the basis of the state's understanding of localized housing development progress. Unfortunately, for a number of reasons—including local capacity limitations— some jurisdictions never report out with an APR, making it difficult for the state to assess whether each jurisdiction is meeting its housing needs.

- One out of every six jurisdictions in the state have never submitted an annual progress report (APR) for the years 2013 to 2017.

1 2019-20 Governor's proposed budget, Housing and Local Government. Available at <http://www.ebudget.ca.gov/2019-20/pdf/BudgetSummary/HousingandLocalGovernment.pdf>

2 Dillon, L. California lawmakers have tried for 50 years to fix the state's housing crisis. Here's why they've failed. Los Angeles Times. June 29, 2017. Accessed January 22, 2019. Retrieved from URL: <https://www.latimes.com/projects/la-pol-ca-housing-supply/>

- San Diego Association of Governments (SANDAG) and Butte County Association of Governments are the only councils of government (COGs) where all jurisdictions have submitted an APR at least once since 2013.
- SANDAG is the only COG where all of its 19 jurisdictions have submitted an APR every year from 2013 to 2017.
- The majority of jurisdictions that have never submitted an APR are located in southeast Los Angeles County and the Central Valley—regions that are largely low-income, relative to the rest of California.

Halfway in and only a quarter of the way there

There are 439 jurisdictions out of the total of 539 that the Department of Housing and Community Development (HCD) has housing permit data for, by income level. Although the current RHNA cycle is more than halfway over for major jurisdictions, only 25.9 percent of the allocated units state-wide have been completed across all income levels, according to HCD data.

- The percentage completed is progressively worse the lower the income level for housing units. 45.6 percent of above moderate-income units (>120% Area Median Income) have been permitted, whereas only 19 percent of moderate income (80-120% AMI), 9.8 percent of low income (50-80% AMI), and 7.3 percent of very low-income units (<50% AMI) have been permitted.
- 52 percent of the jurisdictions reporting to HCD have permitted zero units for the Very Low-Income category.
- 72 percent and 67 percent of the reporting jurisdictions have completed no more than 10 percent of their RHNA housing goals for the Very Low-Income and Low-Income groups, respectively.
- At their current level of housing construction, the table below highlights when selected jurisdictions would reach their fifth cycle housing goals (which, for most locations, began in 2013), by income level:

When selected jurisdictions would reach their fifth cycle housing goals, by income level

Jurisdiction	Very Low Income	Low Income	Moderate Income	Above Moderate Income
San Francisco	2030	2025	2045	2019
Oakland	2032	2072	Beyond 2500	2019
San Jose	2048	2086	2080	2019
Santa Clara	Beyond 2500	Beyond 2500	2070	2017
Palo Alto	2063	2037	2035	2022
Long Beach	2038	2178	No permits issued. No expected date of completion.	2023
Los Angeles	2040	2036	2223	2016
Irvine	2026	Beyond 2500	2015	2016
Riverside	No permits issued. No expected date of completion.	No permits issued. No expected date of completion.	Beyond 2500	2211
Rancho Cucamonga	2060	2065	2034	2015

- Given the current level of construction, it will take San Francisco until 2030 to complete its Very Low-Income RHNA housing allocation, whereas Palo Alto won't meet its Very Low-Income allocation until 2063. Given the current pace, it will take more than 2,000 years for Irvine and Santa Clara to meet their Low-Income RHNA housing allocation (by the year 4726 and 4100, respectively), and more than 3,000 years for Santa Clara to meet its Very Low-Income target (by the year 5165 for Very Low Income).
- While these numbers may appear discouraging, the true depth of housing shortages may not even be fully captured by jurisdiction-level RHNA goals, as the process through which the goals are developed may not account for all housing shortage considerations.

Some progress from those jurisdictions not submitting APRs, yet still chronically behind on goals

For those areas that have not published an annual progress report, analysis was supplemented with housing permit data to gain a sense of progress on housing development to-date. There are 100 jurisdictions for whom the HCD has no housing permit data by income level.

- Slightly over half of these jurisdictions (52) have completed no more than 20 percent of the assigned RHNA housing goals for all income levels.
- These jurisdictions have altogether completed no more than 21.6 percent of the assigned RHNA housing allocations.
- Of the total permits issued for these jurisdictions, 16.2 percent were in excess of the RHNA-assigned allocation across all income levels. While permit data by income level are not available for these jurisdictions, for all jurisdictions that did report to HCD, permits issued in excess of RHNA allocation were predominantly for Moderate or Above Moderate-Income units, with Very Low-Income and Low-Income units still behind in permitting and development.

Those jurisdictions that are nearing or on track to meeting goals often have a distinctly low bar of success

Based on current progress, some areas of the state appear relatively on-track to meet their RHNA development goals for some, if not all, income levels. However, the very process through which those goals are developed has set a low bar of success that merely helps deepen existing housing shortages and affordability concerns.

- Several jurisdictions throughout the state appear to be doing well in terms of meeting their housing targets because they have a very low number of RHNA housing units assigned, relative to local population. For example, relative to the county population, both Napa and Marin counties have relatively low RHNA allocation goals compared to other Bay Area counties. Marin (0.9%) and Napa (1.1%) have the lowest total RHNA allocation as percentage of 2017 population and are the only counties within the Association of Bay Area Governments (ABAG) where total RHNA allocation as percentage of population is less than half of that of ABAG-wide (2.4%).
- On the other hand, San Francisco County has the highest total RHNA target assigned relative to population (3.3%).
- The allocation of units is misaligned with the dynamics of the housing market—namely population change and job growth projections. For example, Southern California's Association of Government's 2012-2035 Regional Transportation Plan forecast estimated that Beverly Hills will gain 300 households and 3,400 jobs between 2008 and 2020, yet the jurisdiction was only assigned 3 housing units in the Fifth Cycle RHNA allocation.

This brief analyzes RHNA housing target performance to-date, providing a scorecard for each of the major councils of government and geographic regions to illustrate true performance on housing development needs.

While progress has indeed been made in many areas throughout the state, analysis indicates that the current model for developing RHNA targets and reporting on progress appears to be insufficient and in need of modification. As the state continues to improve its policies and funding mechanisms to address the housing crisis, it is important that policymakers ensure our development targets address true housing needs, and not just maintain the status quo.

Recommendations based on the findings of this brief include:

Redefine Housing Needs

The use of household growth forecasts as a benchmark for housing policy has become a vicious self-reinforcing process. The declining household formation rates help determine future household estimates, which provides the foundation of RHNA targets, but fails to account for how California's housing shortage is leading to a reduction in household formation rates. By relying on past trends in household formation, the current housing needs assessment fails to capture the extent of housing demand in the state.

If state housing policy is going to utilize RHNA progress as a benchmark, housing needs calculations should be reexamined in order to better account for historic unmet housing needs and distribute allocations equitably across a region.

Zone for existing demand

For many jurisdictions, the fundamental obstacle to achieving housing goals centers around land use regulations that favor single-family homes and local opposition. Local zoning rules that favor single-family units over multi-family continue to impede progress toward allowing communities to meet their housing needs. Until local communities can make it legal to build and prioritize development of residential housing for all income types, California will only continue to exacerbate its existing housing crisis.

Align housing development with projected job growth

The state actively allows local jurisdictions to plan for unsustainable growth. Throughout planning documents at all of the COGs, there are jurisdictions forecasted to add jobs but not housing, further exacerbating the jobs to housing ratio locally and pushing workers farther from their place of employment.

Introduction

California is in the midst of a major housing shortage, causing a crisis of affordability and increased levels of homelessness across the state. Despite this crisis, the Regional Housing Needs Assessment (RHNA)—which serves as the roadmap to identify how many and what type of housing units to allocate to each jurisdiction in California in order to meet the housing needs of everyone—has remained insulated from substantive revision throughout California’s ongoing housing crisis.

These housing goals are laid out in cycles, with the state currently in the 5th cycle, and the goals must account for four income levels: above moderate, moderate, low income, and very low income. While state law requires jurisdictions to create these housing plans, there are few enforcement mechanisms in the law to compel jurisdictions to actually meet the goals. As a new governor enters office, bringing a renewed opportunity to rethink how housing development targets and policies are developed, this brief builds on previous Next 10 research to examine how jurisdictions across the state are performing in meeting their RHNA housing development targets.³

This brief assesses how well California’s cities, towns, and unincorporated county areas (“jurisdictions”) are doing in meeting the housing goals set forward under the current Regional Housing Needs Assessment cycle, which is about 60 percent complete.

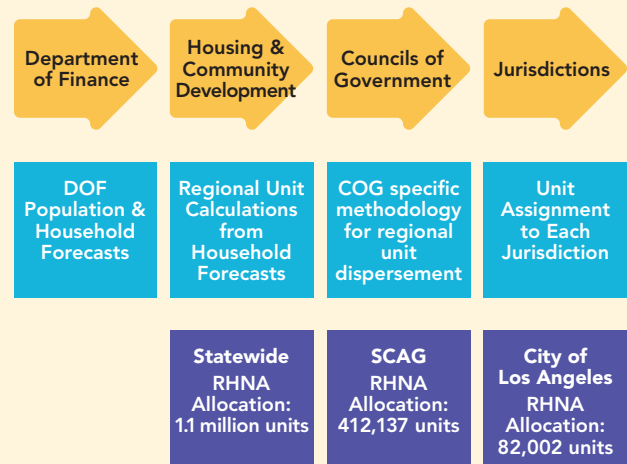
3 See the May 2018 Next 10 brief titled “Current State of the California Housing Market” which discussed the undersupply of the housing market in California and provided a brief primer on the RHNA process and methodology: <http://next10.org/housing>

Background: Regional Housing Needs Assessment Process

In 1969, the state passed legislation that required local jurisdictions include housing as a mandatory element of local government general planning. However, it wasn't until the mid-to-late 1970s that the state began to take a more active role in housing planning, and into the 1980s before the regional housing allocation process became more formalized. The first two RHNA cycles were in 1981 and 1984-1986.⁴ The Department of Housing and Community Development (HCD) utilized California Department of Finance (DOF) demographic projections regarding household growth with the resulting housing need allocations "pegged to at least the level of projected household growth."⁵ These early cycles serve as the foundation of the modern RHNA process. The sidebar figure lays out the process through which the targets are developed and allocated.

Under the RHNA process, all jurisdictions throughout the state are responsible for creating housing development targets for different types of housing at different income categories, and the local government's plans to address housing needs. Every five years (and for some regions, every eight), this planning cycle repeats and the targets are updated to reflect progress to-date (or lack thereof) and changes in population and housing stock, among other factors. This process forms the foundation of the state's housing policy as it serves as the benchmark to which every locality must compare itself.

RHNA Process (5th Cycle)



HCD: Regional Allocation

The California Department of Housing and Community Development (HCD), assigns housing goals to each region, by heavily relying on state Department of Finance (DOF) population and future household growth projections.

Regional COG: City and Unincorporated County Allocation

The Regional COG must allocate this total number of housing units assigned from HCD among the cities and unincorporated county areas in its region. The jurisdictional allocation establishes the total number of housing units that each city and county must plan for within a given (five- or eight-year) planning period. Based on the adopted RHNA, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time.

4 Lewis, P. G. (2003). California's Housing Element Law: The Issue of Local Noncompliance. Public Policy Institute of California. San Francisco, CA.

5 Ibid, 17.

Each jurisdiction (through its city council or board of supervisors) must prepare an annual progress report (APR) on the jurisdiction's status and progress in implementing its housing element.⁶ Senate Bill 35 and Assembly Bill 879, both of which were signed into law in 2017, added new data requirements for the Housing Element and the Annual Progress Reports, while Assembly Bill 72 added new enforcement opportunities.^{7, 8}

While progress reports on RHNA development provide a picture of how well a location may be doing in terms of meeting its housing needs, the process by which targets are developed, tracked and enforced could be improved.

Analysis: Grading California Jurisdictions on RHNA Progress

To gain insight into how well the state is doing in meeting its RHNA targets and housing needs more broadly, this brief grades the 539 jurisdictions that are tracked by California's Department of Housing and Community Development. The grades are based on factors such as Annual Progress Report (APR) submission and the number of housing units permitted for each of the four income levels: Very Low Income (<50% Area Median Income), Low Income (50-80% AMI), Moderate Income (80-120% AMI), and Above Moderate Income (>120% AMI).

These 539 jurisdictions are grouped under the following eight regions (four major councils of governments and four broader regions):⁹

- » Association of Bay Area Governments (ABAG)
- » Sacramento Area Council of Governments (SACOG)
- » Southern California Association of Governments (SCAG)
- » San Diego Association of Governments (SANDAG)
- » Central Coast Region
- » South Central Valley Region
- » North Central Valley Region
- » Northern California Region

6 As part of a city's General Plan, the housing element provides an analysis of a community's housing needs for all income levels and strategies to respond to provide for those housing needs, as per Government Code Section 65400. Additional information on Government Code Section 65400 can be viewed at: https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=65400

7 AB 879 and SB 35 added new APR requirements pursuant to Chapter 374 and Chapter 366 Statutes of 2017, respectively. For example, jurisdictions are to provide new information such as total number of units approved and rejected, number of units completed and permitted by income and by deed restriction status, and whether a project application is submitted pursuant to Government Code 65913.4(b) [SB 35 streamlining] beginning with the new CY 2018 form. Overall, the new APR form contains significantly more items to report than the old form used for CY 2017 and prior. Both the old and new forms can be downloaded here: <http://www.hcd.ca.gov/community-development/housing-element/index.shtml>

8 Also called the Housing Accountability Act, AB 872 authorizes HCD to find a jurisdiction out of compliance with state housing law at any time (instead of the current 8-year time period), and refer any violations of state housing law to the Attorney General if it determines the action is inconsistent with the locality's adopted housing element. Note that the HCD reviews each issue on a case-by-case basis. Should additional actions be required, the HCD issues a letter of inquiry, a letter of technical assistance, or a letter requiring corrective actions. Local governments have the opportunity to respond to HCD each time a letter of inquiry, technical assistance, or correction is issued. More information can be viewed here: <http://www.hcd.ca.gov/community-development/accountability-enforcement.shtml>

9 See Appendix B for a definition of the geography of these eight regions.

Annual Progress Report Submission Evaluation

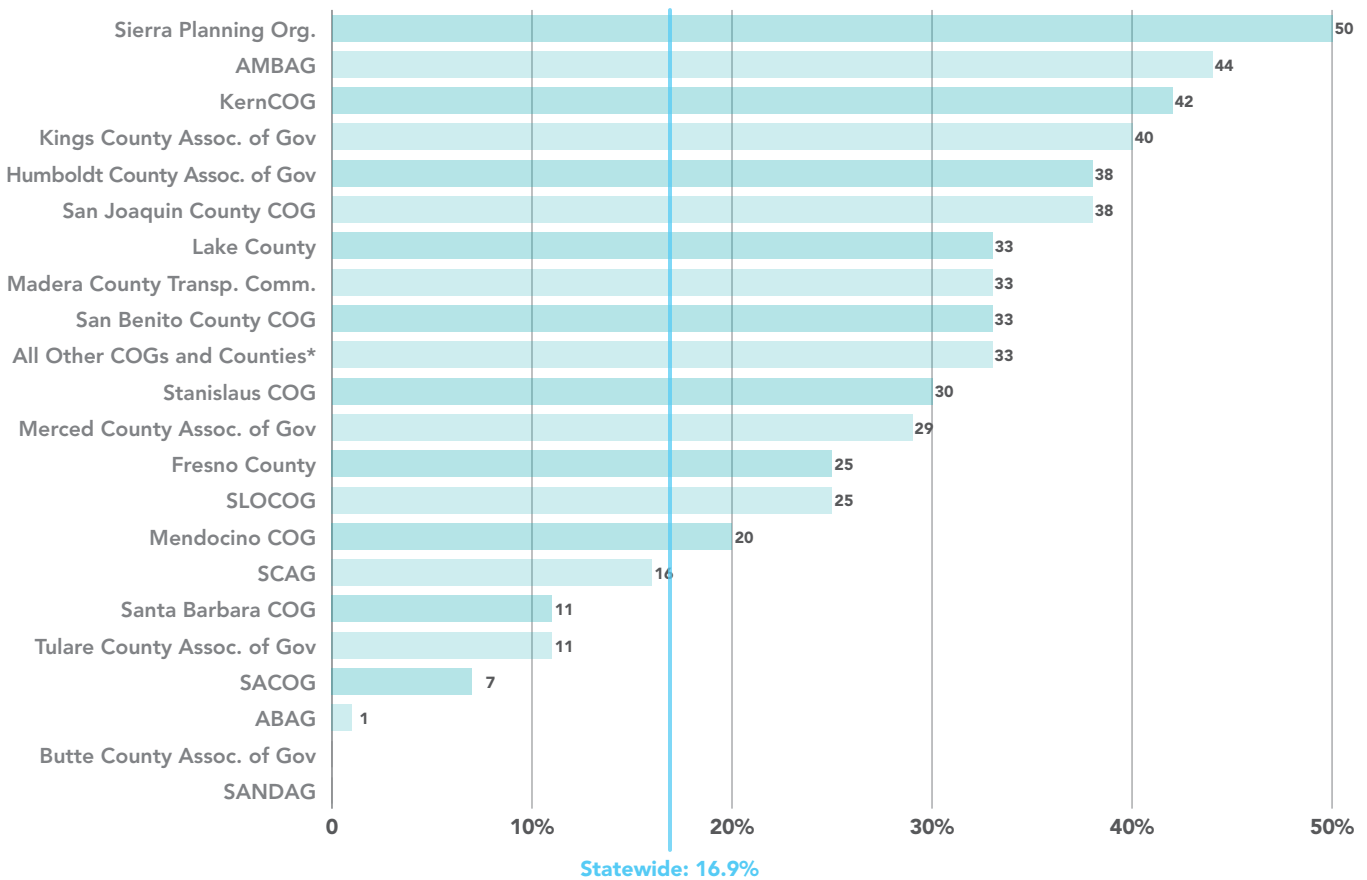
The current fifth Regional Housing Needs Assessment (RHNA) cycle is half over for many jurisdictions and councils of governments (COGs), and just as with the previous RHNA cycles, most jurisdictions are not on track to meeting their RHNA allocation goals.

Of the 539 jurisdictions¹⁰ (482 incorporated cities and towns plus 57 unincorporated county areas) that HCD tracks, 91 have never submitted an annual progress report for years 2013 to 2017 and 9 haven't submitted an APR since 2014.¹¹ At the COG level, Sierra Planning Organization has the highest percentage of jurisdictions (50%) that have never submitted an APR for years 2013 to 2017, followed by Association of Monterey Bay Area Governments (AMBAG) (44%) and Kern COG (42%). Only San Diego Association of Governments (SANDAG) and Butte County Association of Governments have no jurisdictions that have never submitted an APR during this cycle. Generally, large COGs, such as Association of Bay Area Governments (ABAG) and Sacramento Area Council of Governments (SACOG), have lower percentages of non-complying jurisdictions than smaller COGs.

10 There exists over 1,500 cities, towns, and Census Designated Places in California. Since many of these places are very sparsely populated, only 539 jurisdictions are mandated to submit an annual progress report to the HCD. The analysis only pertains to these 539 jurisdictions. Since housing allocations are based on projections using economic and demographic variables, and since data on small areas are either unavailable, dated, or susceptible to large standard errors, it is not surprising that housing allocation is limited to selected jurisdictions.

11 The planning and projections periods differ between COGs, the HCD uses 2013 as the beginning year since it is the earliest year when some COGs enter the current RHNA cycle.

FIG 1 Percent of Jurisdictions Under Each Council of Government (COG) That Have Never Submitted an APR



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

*All Other COGs and Counties include the following counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Inyo, Lassen, Mariposa, Modoc, Mono, Plumas, Shasta, Siskiyou, Tehama, Trinity, and Tuolumne.

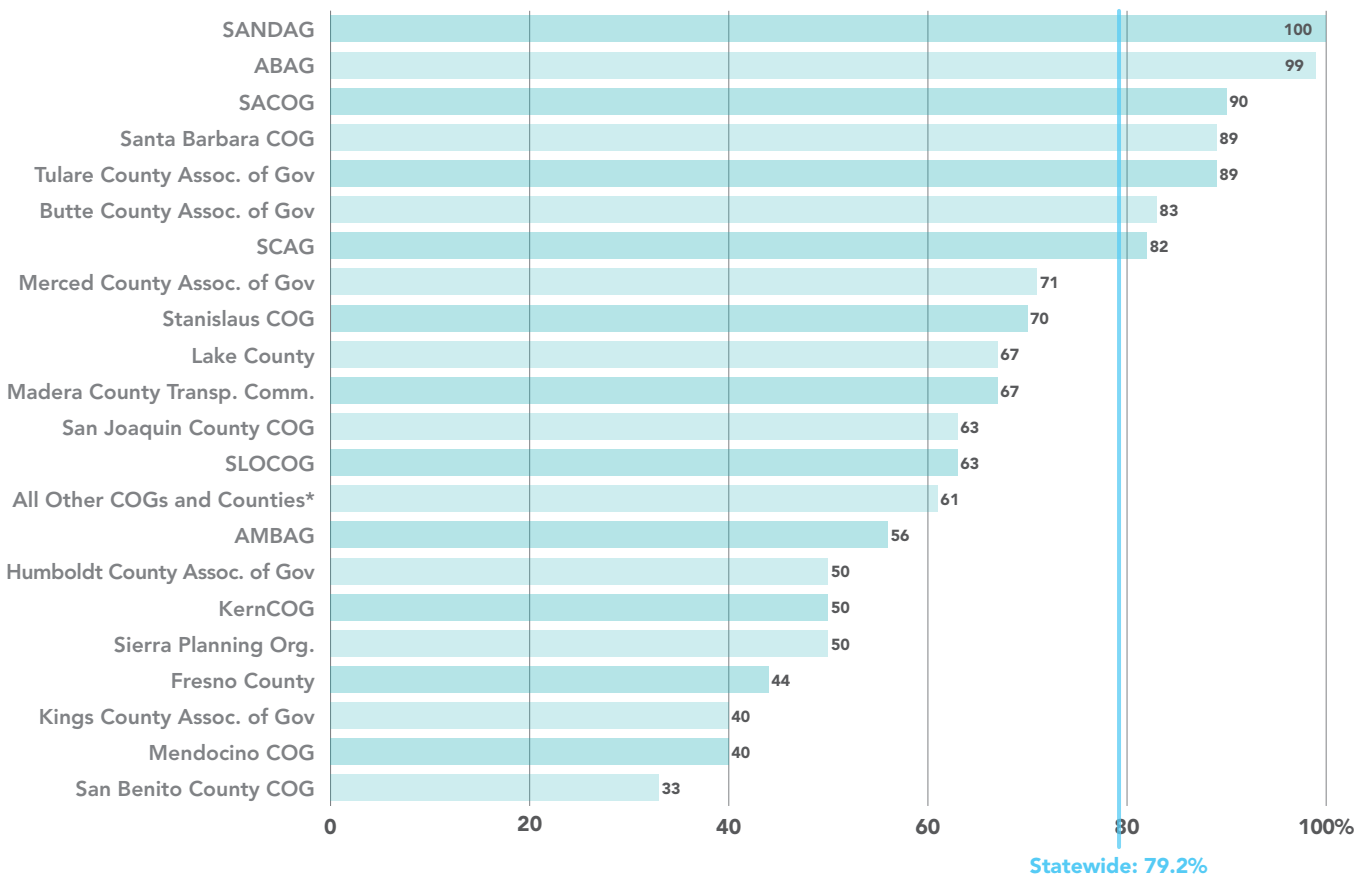
The majority of jurisdictions that have never submitted an APR even once are located in southeast Los Angeles County and Central Valley (lower-income areas, relative to the rest of California). In the case of Los Angeles County, the jurisdictions that have never submitted an APR are either Gateway Cities (most of which have lower household income than the County median) or wealthy coastal cities such as Palos Verdes Estates that have traditionally been resistant to adding new housing units. Notably, the unincorporated areas that have never submitted an APR are all rural northern counties. Map 1 provides a geographic overview of the jurisdictions that have never submitted an APR.

Although one-sixth of all California’s jurisdictions have not submitted an APR, most jurisdictions (79%) have submitted one for the most recent year. Again, COGs with large metro area populations tend to have the highest percentage of jurisdictions that have submitted an up-to-date APR. San Diego County (SANDAG) is the only COG where 100 percent of the jurisdictions (19 total) have submitted an APR in 2017. All but one jurisdiction (Rio Vista in Solano County) in the Bay Area (ABAG, with 109 jurisdictions) have submitted an APR in 2017.

MAP 1 Jurisdictions Under Each COG That Have Never Submitted an APR



FIG 2 Percent of Jurisdictions Under Each COG that Have Submitted an Annual Progress Report for the Most Recent Year (2017)



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

*All Other COGs and Counties include the following counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Inyo, Lassen, Mariposa, Modoc, Mono, Plumas, Shasta, Siskiyou, Tehama, Trinity, and Tuolumne.

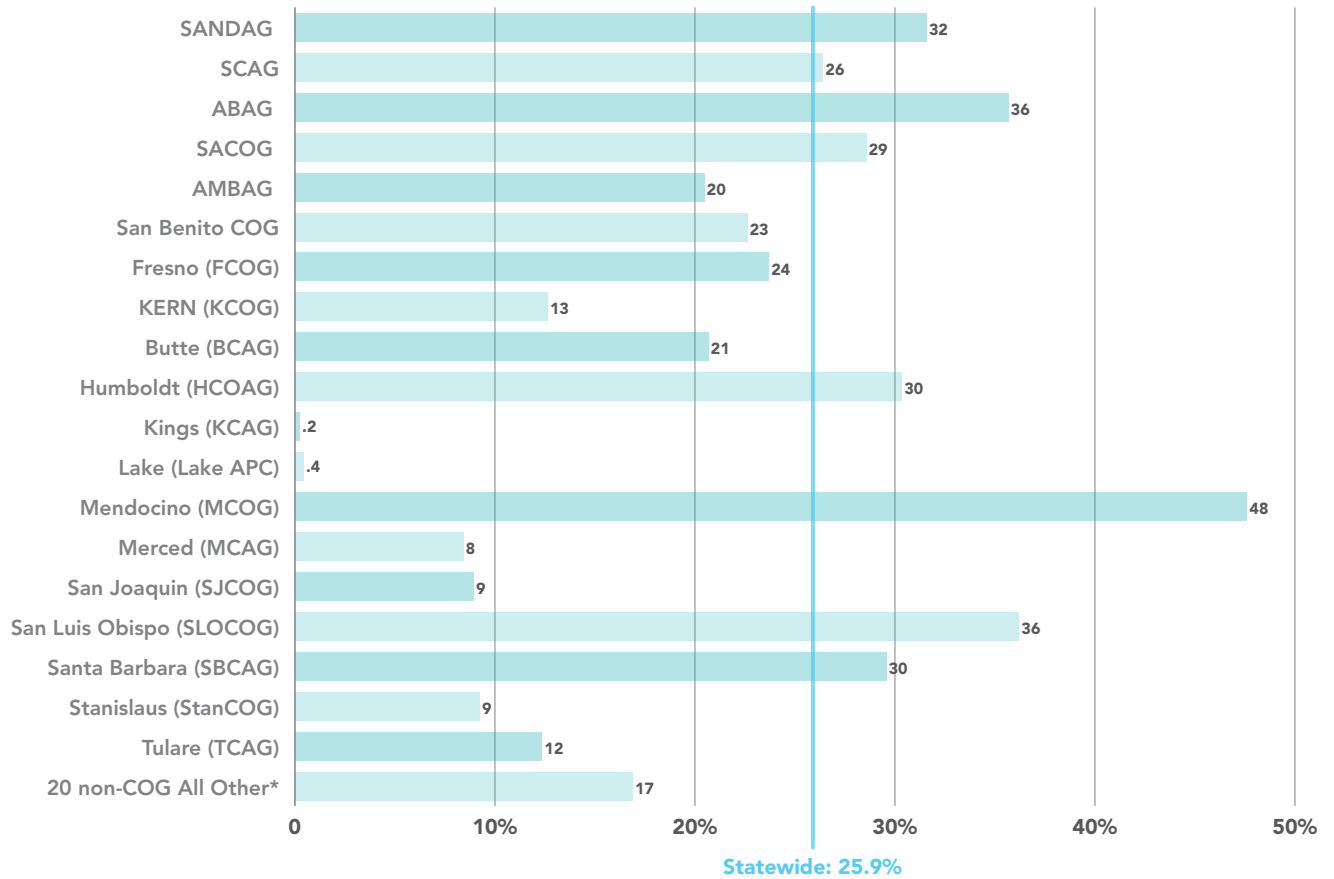
RHNA Progress by Income Level

Of the 439 jurisdictions that have submitted an APR at least once and in which HCD has permit data by income level, some 388,817 total permits were issued, with 810,285 units still remaining.¹² Figure 3 depicts the percent completed

of RHNA housing allocation by income level and COG. Unsurprisingly, the amount completed is strongly correlated with income level: Above Moderate Income has the highest overall percentage completed (45.6%), or about six times as much as that of Very Low Income (7.3%). Although more than half of the jurisdictions have entered the second half of the current cycle, just 25.9 percent of allocated units have been completed across all income levels statewide

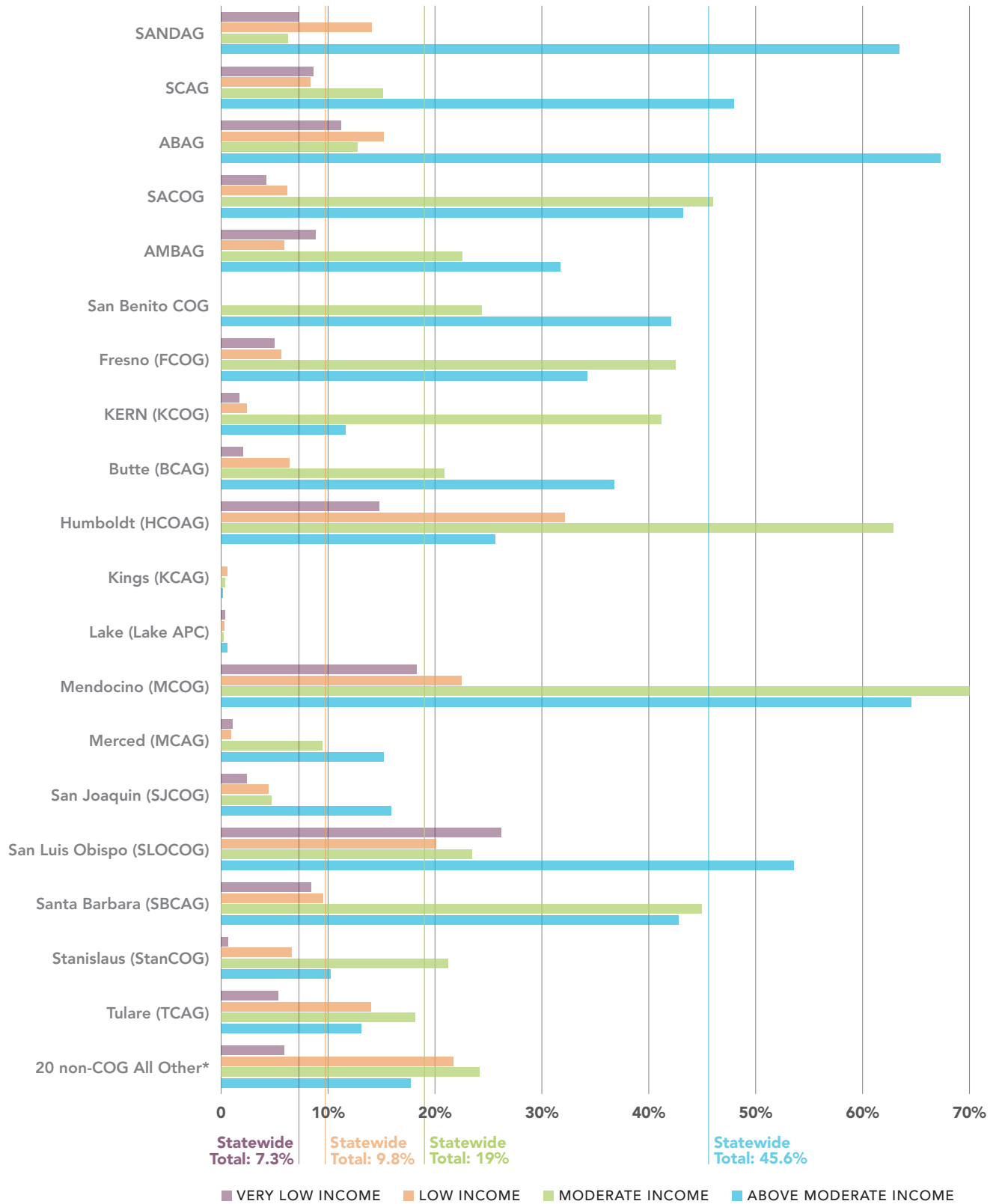
¹² This is the count from the available HCD data and is inclusive of all income levels. Since 20.8% of jurisdictions did not submit an APR in 2017, this means data for these jurisdictions are dated. Since most definitely additional units have been permitted in 2017 (but there is no HCD data available), the current total count of 388,817 underestimates the actual cumulative total. On the other hand, because a handful of jurisdictions have exceeded their RHNA goals for particular income levels (e.g., Dublin permitted 2,638 units for above moderate-income households, or 2,020 over the 618 RHNA goal), the total units remaining that need to be permitted is greater than the difference of RHNA total less total count (388,817).

FIG 3 5th Cycle RHNA Percentage Completion: Total all Income Levels by Council of Government



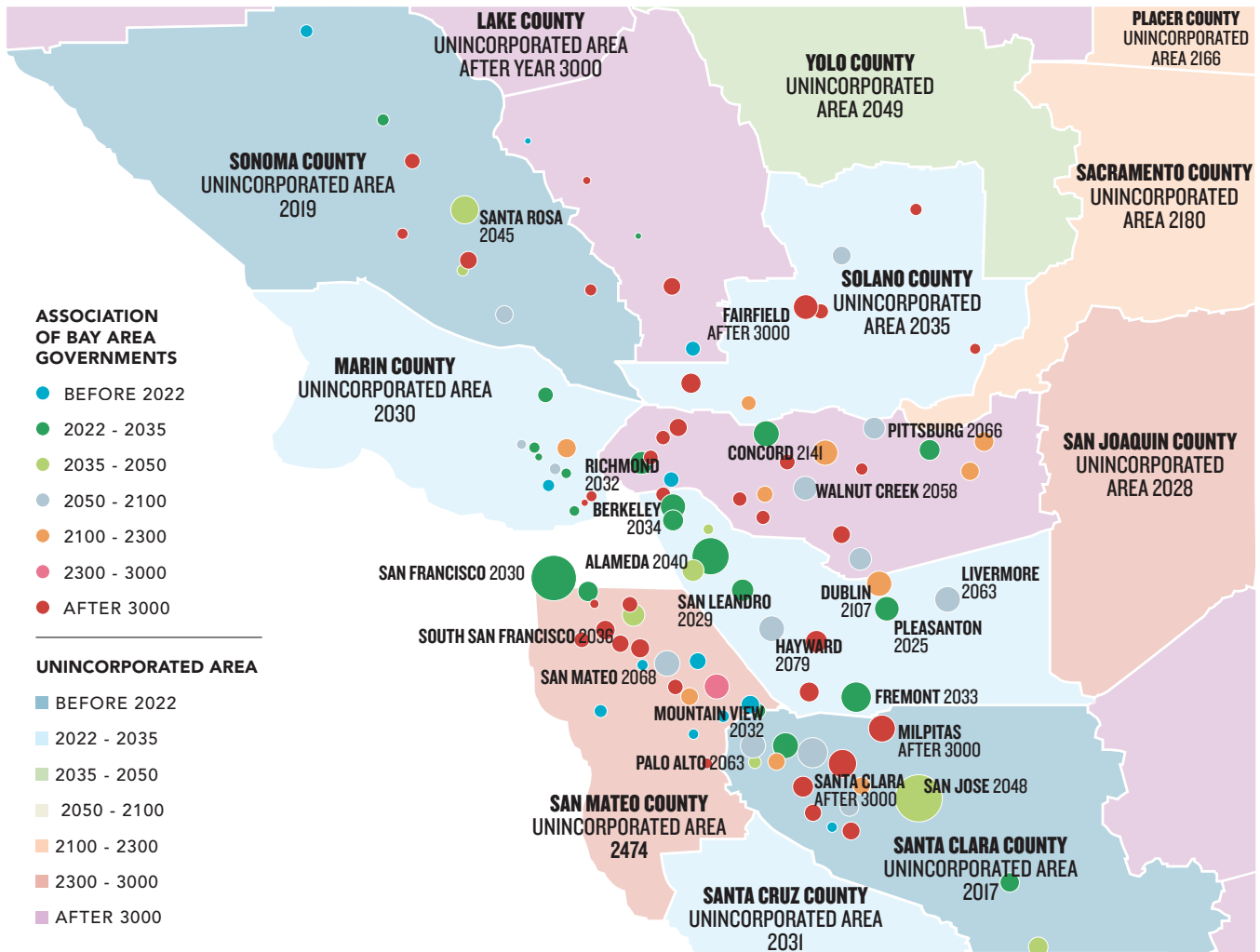
Source: California Department of Housing and Community Development; Analysis by Beacon Economics.
 *20 non-COG All Other include the following counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Inyo, Lassen, Madera, Mariposa, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Tuolumne.

FIG 4 5th Cycle RHNA Percentage Completion: (a) Very Low Income, (b) Low Income, (c) Moderate Income, and (d) Above Moderate Income, by Council of Government.



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.
 *20 non-COG All Other include the following counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Inyo, Lassen, Madera, Mariposa, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, and Tuolumne.

MAP 2 Very Low-Income RHNA Allocation and Progress, ABAG, 5th RHNA Cycle



Source: California Department of Housing and Community Development. Analysis by Beacon Economics. Note: Jurisdictions with zero units permitted has been labeled with "After 3000" as expected year of completion. Bubble sizes correspond to the number of units assigned in the current RHNA cycle. County corresponds to unincorporated county area.

Very Low Income

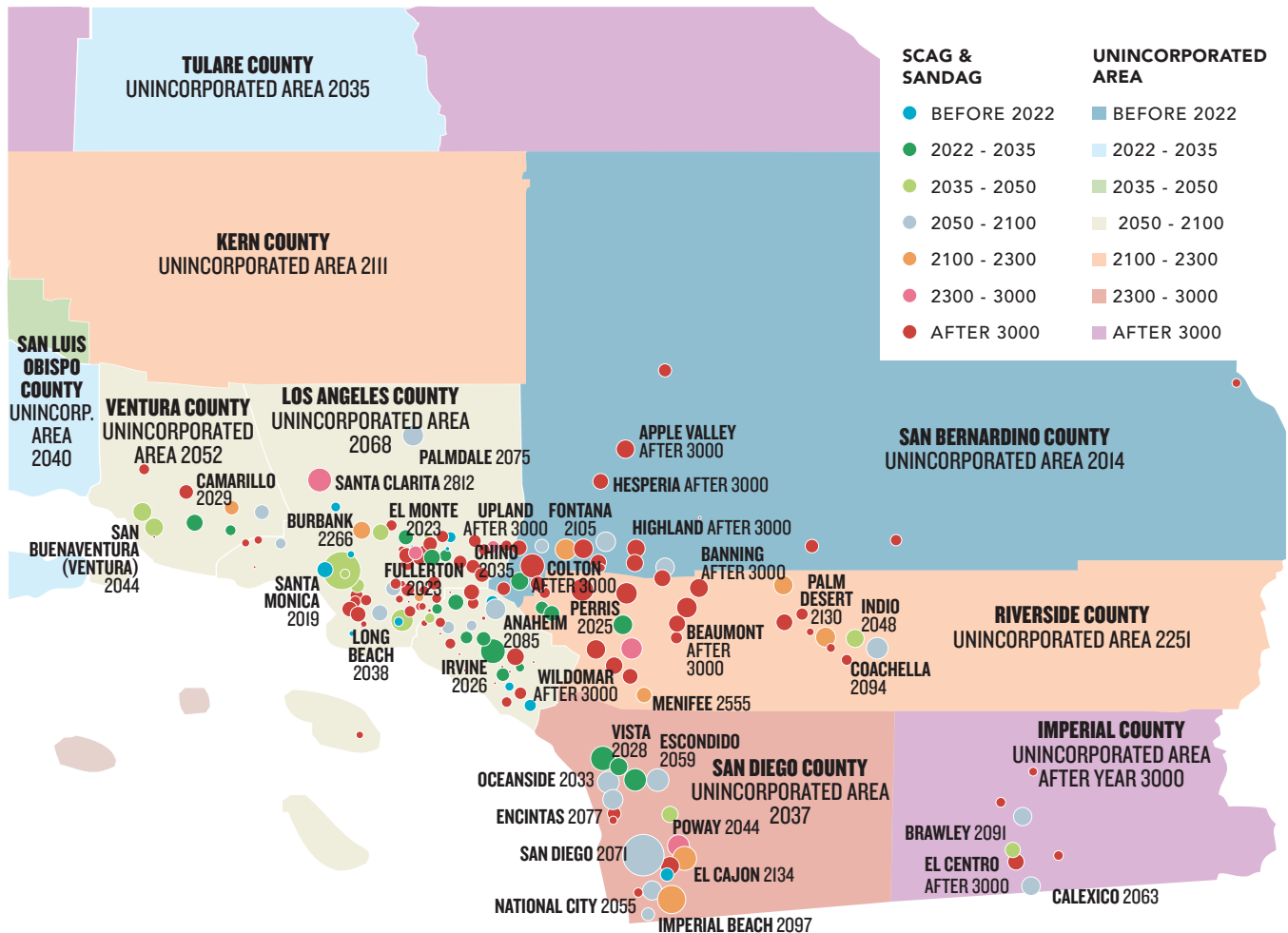
Statewide, just 7.3 percent of the Very Low-Income RHNA allocation have been permitted as of 2017. At the COG level, none are on track to meeting the Very Low-Income allocation goals by the end of the current cycle.¹³ SLOCOG (San Luis Obispo County) leads thus far with 26.2 percent

completed, which still falls far short considering 60 percent of its current RHNA cycle had elapsed as of 2017.¹⁴ Among the COGs, just four—ABAG (11.2%), HCOAG (Humboldt County, 14.8%), MCOG (Mendocino County, 18.3%), and SLOCOG (26.2%)—have completed more than 10 percent of their Very Low-Income housing allocation. Meanwhile,

13 The beginning and end dates of the RHNA cycle differs depending on the Council of Government. It should also be noted that there is a projection period (the time period for which the Regional Housing Need is calculated) and a planning period (the time frame between the due date for one housing element and the due date for the next housing element). The two do not necessarily coincide. This means even if two COGs have the same planning cycle duration, the dates may not be the same. For example, ABAG and SCAG both run on an 8-year cycle, but the planning period for ABAG is from January 31, 2015 to January 31, 2023 and for SCAG is from October 15, 2013 to October 15, 2021.

14 SLOCOG currently runs on a five-year cycle from January 01, 2014 to June 30, 2019. Note that SLOCOG will switch to an eight-year cycle beginning with the sixth RHNA cycle.

MAP 3 Very Low-Income RHNA Allocation and Progress, SCAG & SANDAG, 5th RHNA Cycle



Source: California Department of Housing and Community Development. Analysis by Beacon Economics. Note: Jurisdictions with zero units permitted has been labeled with "After 3000" as expected year of completion. Bubble sizes correspond to the number of units assigned in the current RHNA cycle. County corresponds to unincorporated county area.

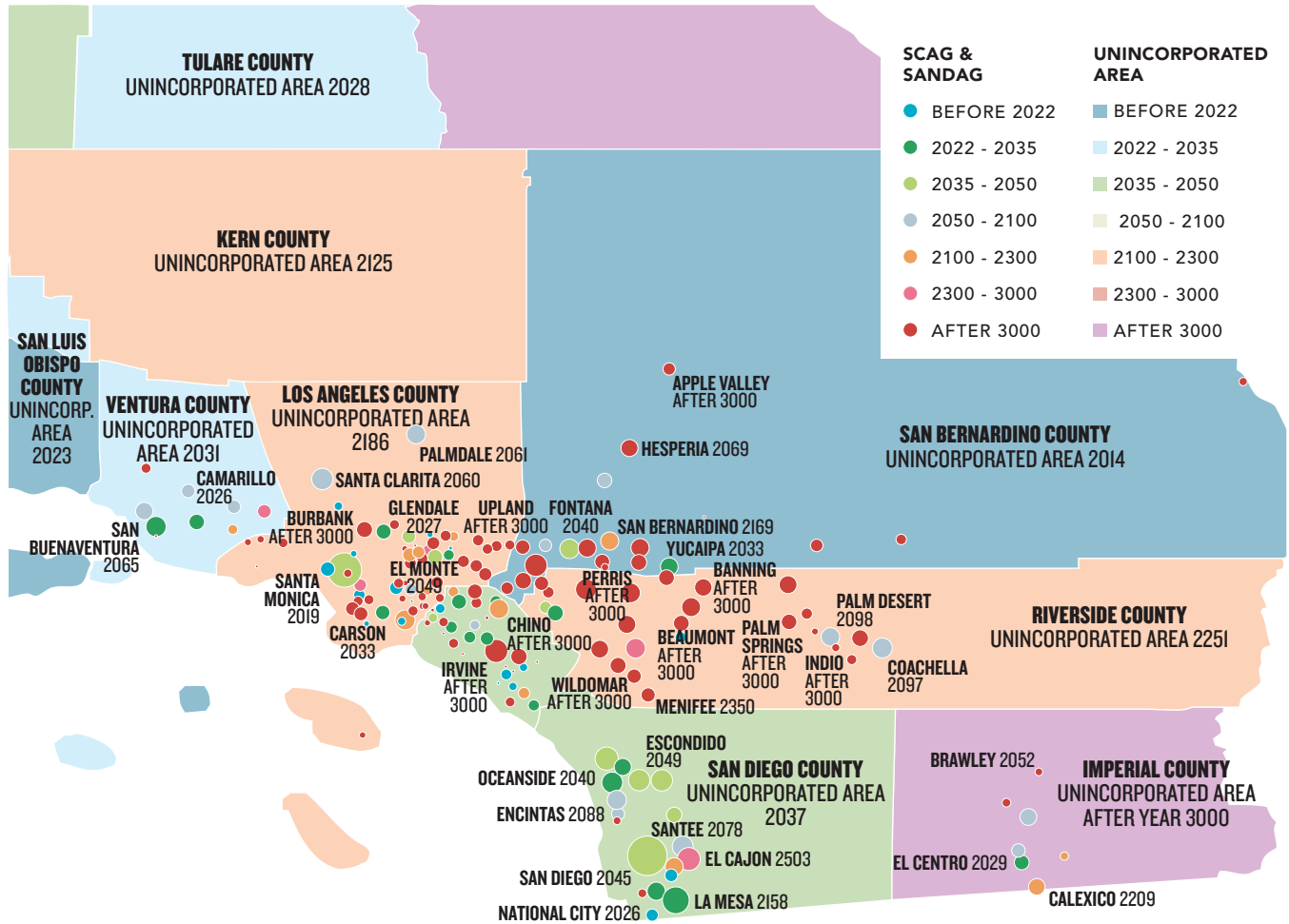
none of the jurisdictions within San Benito COG and KCAG (Kings County) have issued any permits for Very Low-Income group. Out of the 439 jurisdictions that have submitted an APR, only 35 (8.0%) have completed at least 50 percent of the Very Low-Income RHNA allocations, including Santa Monica (70.8% complete), El Cerrito (100%), Menlo Park (59.2%), and Yorba Linda (69.4%).

Notably, out of the 20 non-COG counties, 12 (60%) have not issued any permits for the Very Low-Income group. Of the jurisdictions that have submitted an APR at least once, 232 (52%) have permitted zero units for the Very Low-Income group.

Maps 2 and 3 show the expected year of completion at the current RHNA progression trajectory for very low-income units in the two largest COGs—ABAG and SCAG—plus SANDAG (San Diego County).¹⁵ Most jurisdictions have shown very unsatisfactory progress toward very low-income housing completion. Among ABAG jurisdictions, 40 out of its 109 jurisdictions (37%) have an expected year of completion after 3000. Just 14 jurisdictions (13%) are on track for completion by 2022, the year when ABAG’s current cycle ends. SCAG’s performance is even more disappointing: 128 of its 197 jurisdictions (65%) have an expected year of completion after 3000.

15 Additional maps for the four COGs and four regions are available on the website at <http://next10.org/housing-goals>

MAP 5 Low-Income RHNA Allocation and Progress, SCAG & SANDAG, 5th RHNA Cycle



Source: California Department of Housing and Community Development. Analysis by Beacon Economics. Note: Jurisdictions with zero units permitted has been labeled with "After 3000" as expected year of completion. Bubble sizes correspond to the number of units assigned in the current RHNA cycle. County corresponds to unincorporated county area.

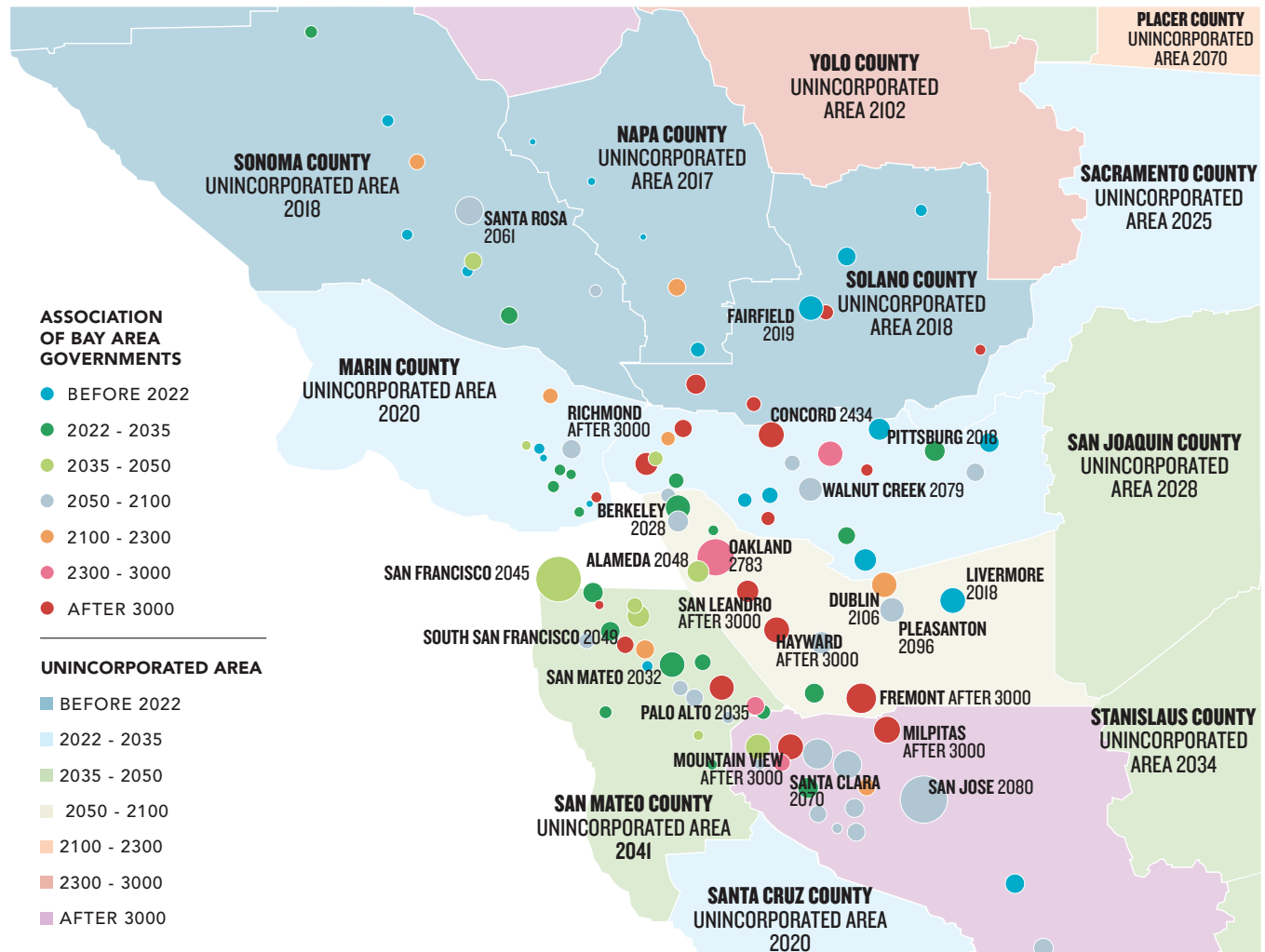
County (MCAG, 0.9%) have each completed less than one percent of their Low-Income RHNA allocation goals. An additional seven counties (35%) of the twenty without a COG—Alpine, Lassen, Mariposa, Modoc, Plumas, Sierra, and Trinity—have failed to issue any permits for their Low Income RHNA allocation.

Of the 439 jurisdictions that have submitted an APR and that the HCD tracks their RHNA progress, 72 percent and 67 percent of the jurisdictions have completed no more than 10 percent of their RHNA housing goals for the Very Low-Income and Low-Income groups, respectively. Of the 20 counties without representing COGs, 60 percent and 35 percent have failed to issue a single permit for their Very Low-Income and Low-Income households, respectively.

Together, these data points underscore the massive challenges of providing new housing supply for households making below moderate income.

Maps 4 and 5 show the expected year of completion at current the RHNA progression trajectory for Low Income for ABAG, SCAG, and SANDAG. These COGs are faring slightly better in their Low-Income completion than Very Low-Income completion, but the overall progress is still dire. Among ABAG jurisdictions, 30 out of its 109 jurisdictions (28%) have an expected year of completion after 3000. 24 jurisdictions (22%) are on track for completion by the end of the current cycle. SCAG’s performance is about as disappointing as its progress for Very Low Income. 127 of its 197 jurisdictions (64%) have an expected year

MAP 6 Moderate-Income RHNA Allocation and Progress, ABAG, 5th RHNA Cycle



Source: California Department of Housing and Community Development. Analysis by Beacon Economics. Note: Jurisdictions with zero units permitted has been labeled with "After 3000" as expected year of completion. Bubble sizes correspond to the number of units assigned in the current RHNA cycle. County corresponds to unincorporated county area.

of completion after 3000 while just 16 out of 197 jurisdictions (8%) are on track for completion by the end of the current cycle, under current trajectory.

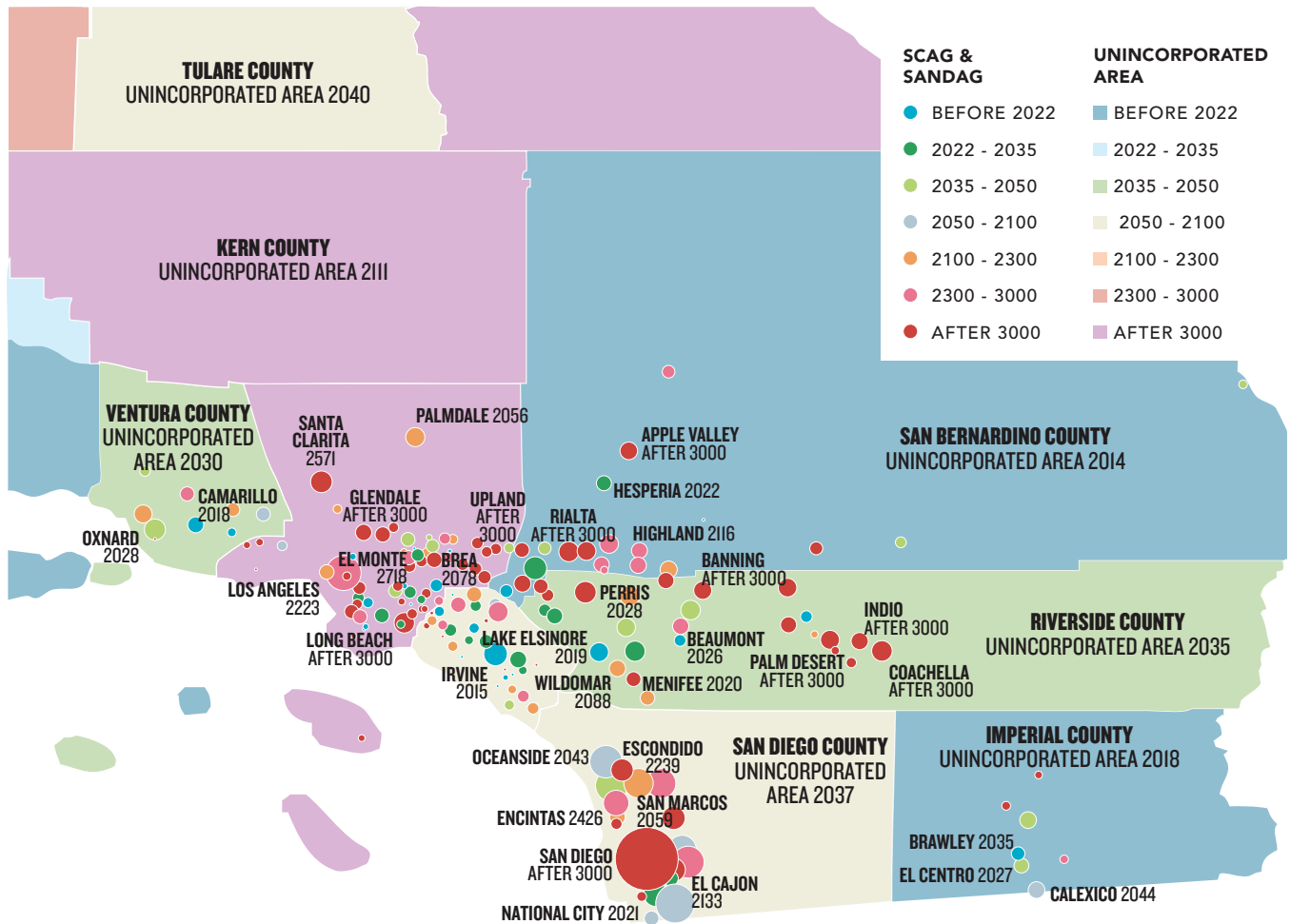
Moderate Income

As of 2017, 19.0 percent of the statewide housing allocation for Moderate Income was completed. Mendocino COG (70%) and HCOAG (Humboldt County, 62.9%) are the only COGs that have completed at least half of the RHNA allocation to Moderate Income. A few COGs have completed just slightly less than half of the RHNA allocated to Moderate Income: SACOG (46.0%), SBCAG (Santa Bar-

bara County, 44.9%), Fresno COG (42.5%), and Kern COG (41.2%). The two largest COGs, SCAG (15.2%) and ABAG (12.8%), have both so far fallen behind statewide average.

Maps 6 and 7 show the expected year of completion at current RHNA progression trajectory for Moderate Income for ABAG, SCAG, and SANDAG. These COGs are faring better in their Low-Income completion than Very Low-Income completion, while progress in the Moderate-Income category is further along than either of the lower-income groups. Among ABAG jurisdictions, 18 out of its 109 jurisdictions (17%) have an expected year of completion after 3000 while 28 jurisdictions (26%) are

MAP 7 Moderate-Income RHNA Allocation and Progress, SCAG & SANDAG, 5th RHNA Cycle



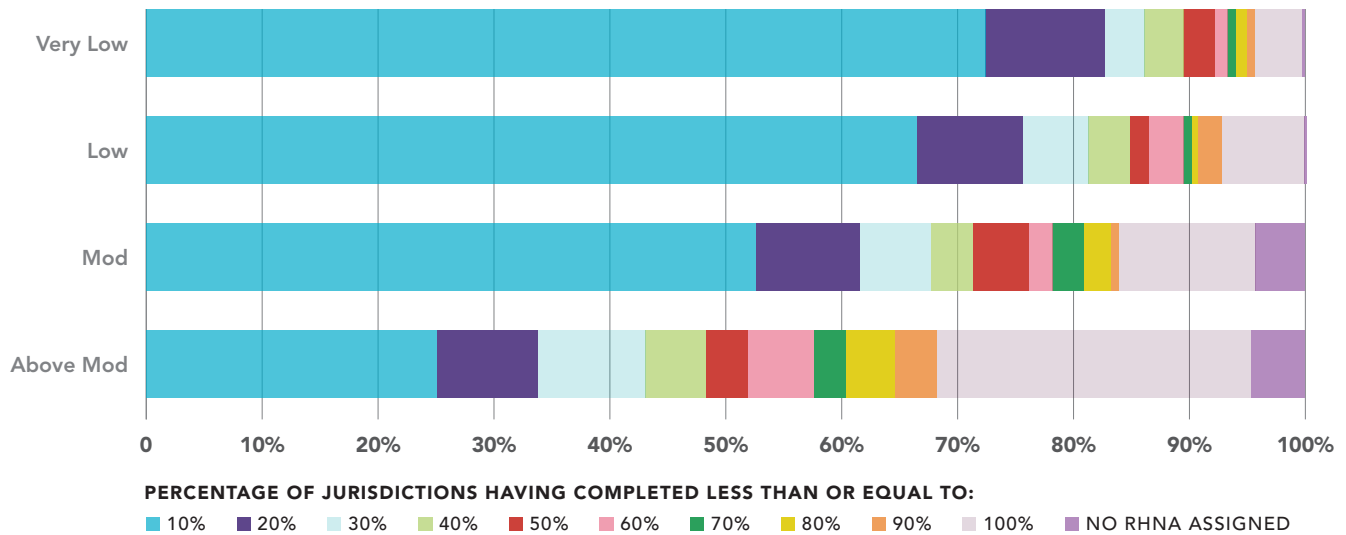
Source: California Department of Housing and Community Development. Analysis by Beacon Economics. Note: Jurisdictions with zero units permitted has been labeled with "After 3000" as expected year of completion. Bubble sizes correspond to the number of units assigned in the current RHNA cycle. County corresponds to unincorporated county area.

on track for completion by the end of the current cycle. Meanwhile, SCAG’s completion progress for Moderate-Income continues to lag far behind that of ABAG. 89 out of SCAG’s 197 jurisdictions (45%) have an expected year of completion after 3000 while 34 of its 197 jurisdictions (17%) are on track for completion by the end of the current cycle under current trajectory.

Above Moderate Income

Faring much better than the other income levels, 45.6 percent of the statewide housing allocation for Above Moderate Income was completed as of 2017. ABAG (67.3%), Mendocino COG (64.5%), and SANDAG (63.4%) lead the way while Kings CAG (0.2%) and Lake APC (0.6%) have barely moved the needle. Six jurisdictions—Biggs (Butte), Orland (Glenn), Irwindale (Los Angeles), Aliso Viejo (Orange), Dorris (Siskiyou), and Red Bluff (Tehama)—have permitted zero units for Above Moderate Income thus far.

Figure 5 RHNA Percentage Completion Summary by Income Level as of 2017



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

Imbalance in Progress: Lack of Development vs. Misallocation of Housing Permits

Taking a look across permitting at all income levels, it becomes clear that progress on lower-income targets is farther behind across the state. Above-moderate and moderate-income units continue to be built and are closer to completion of the fifth RHNA cycle allocation as of 2017, as indicated in Figure 5.

Regardless of income level, however, there are a number of jurisdictions in the state that have permitted zero housing units at all this RHNA cycle. Table 1 shows the 16 jurisdictions (3.6% of total that have submitted an APR at least once) that have not permitted a single unit during the current cycle. Most of these jurisdictions are part of SCAG in Southern California.

An additional 5 jurisdictions, all under SCAG, have permitted zero units for income levels that they had been assigned RHNA allocation for (Very Low Income and Low Income, namely) but have permitted units for Moderate and Above Moderate-Income levels, which received an

Table 1 Jurisdictions That Have Submitted an APR at Least Once but Have Permitted Zero Units for All Income Levels

Jurisdiction	County	COG
Huron	Fresno County	FCOG
Sanger	Fresno County	FCOG
Colfax	Placer County	SACOG
Wheatland	Yuba County	SACOG
Calipatria	Imperial County	SCAG
Westmorland	Imperial County	SCAG
Cudahy	Los Angeles County	SCAG
Rosemead	Los Angeles County	SCAG
Westlake Village	Los Angeles County	SCAG
Laguna Woods	Orange County	SCAG
Rancho Santa Margarita	Orange County	SCAG
Banning	Riverside County	SCAG
Apple Valley	San Bernardino County	SCAG
Port Hueneme	Ventura County	SCAG
Montague	Siskiyou County	N/A
Tehama	Tehama County	N/A

Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

Table 2 Jurisdictions with Misallocated Housing Unit Permits

Jurisdiction	County	VERY LOW INCOME & LOW INCOME		MODERATE & ABOVE MODERATE INCOME	
		Allocated	Permitted	Allocated	Permitted
Malibu	Los Angeles	2	0	0	49
Costa Mesa	Orange	2	0	0	518
Laguna Hills	Orange	2	0	0	2
Westminster	Orange	2	0	0	188
Big Bear Lake	San Bernardino	2	0	0	23

Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

allocation of zero units for these jurisdictions (see Table 2). Some may argue that permitting units to the wrong income level is better than permitting no units. However, if the RHNA allocation represents an optimal allocation, then there exists a housing misallocation in these five jurisdictions. For jurisdictions such as these, they are building more housing, but not for the groups most sorely in need.

The misallocation of housing permits by income level is a symptom of a greater problem. All of these jurisdictions have an incredibly low number of RHNA units allocated (1 each for Very Low Income and Low Income and 0 for Moderate and Above Moderate). Furthermore, except for Big Bear Lake, all of the jurisdictions are affluent Southern California communities, which have a greater tendency to restrict new housing development due to anti-growth/pro-NIMBY sentiment in recent history. Yet, these jurisdictions have no difficulty issuing permits for housing construction for households making above moderate income.

Assessing Performance of Jurisdictions that Have Not Submitted APRs

Of the 539 jurisdictions, 91 have never submitted an APR during the current cycle and another 9 have submitted an APR at least once but have no data on their RHNA completion progress, for a total of 100 jurisdictions without a recent APR. To estimate the number of permits issued for all incomes in these jurisdictions, permit data from the Construction Industry Research Board (CIRB) is used instead of U.S. Census' permit data as CIRB's data is more closely matched with the HCD data (see Assessing HCD Permit Data).

Slightly over half of these jurisdictions (52 of them) have completed no more than 20 percent of the assigned RHNA housing goals. On the other hand, 20 jurisdictions have permitted at least their respective total assigned RHNA housing goals, including Pismo Beach, San Luis Obispo County, Rio Vista, and Solano County.

Of the 64,087 total RHNA housing permits assigned across all income levels for these jurisdictions, together they have issued a total of 16,510 permits (25.7%). However, 2,675 (16.2%) of these permits were in excess of the allocation (total of all income levels) assigned by RHNA. This means these jurisdictions have altogether completed at most 21.6 percent of the assigned RHNA housing allocations since it is very likely a handful of these jurisdictions have permitted more than the permits assigned by RHNA at each individual income level, especially for the Above Moderate Income.

Assessing HCD Permit Data

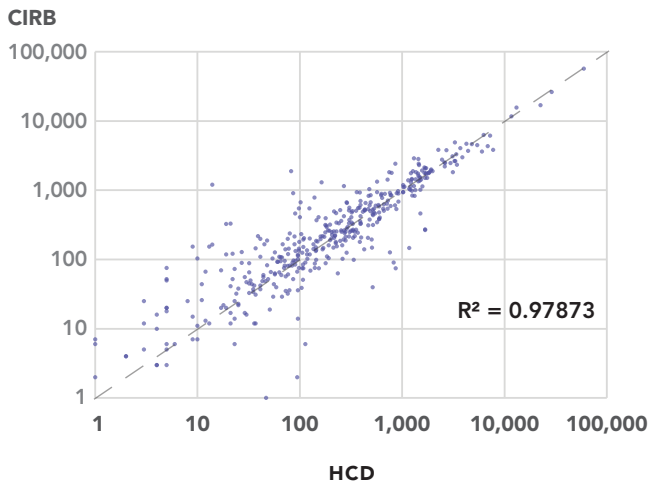
The number of units permitted by income level are entirely self-reported by each individual jurisdiction. As such, local jurisdictions may have incentives to over-report the figures. As a robustness check of the HCD permit data,¹⁷ the HCD figures are compared with the permit figures from (1) Construction Industry Research Board (CIRB) and (2) the U.S. Census Bureau's Building Permits Survey in Figure 6a and 6b.

Both the CIRB and U.S. Census data approximate the HCD rather well, with R-squares—which measures how close the data are to the fitted regression line¹⁸—of 0.97873 and 0.97756, respectively (a 1.0 explains any variation in response data and is considered a perfect fit). According to CIRB, 388,083 permits were issued—very close to HCD's 388,817—representing a difference of just 0.2 percent. U.S. Census Building Permits Survey data totaled 365,945 permits—5.9 percent less than that of the HCD. Overall, the self-reported permit data from the HCD is believed to be credible.

17 The check is only for total permits issued in a jurisdiction for all income levels as neither CIRB nor U.S. Census breaks down permits by income levels. Permit issuance by income level is a RHNA only mechanism.

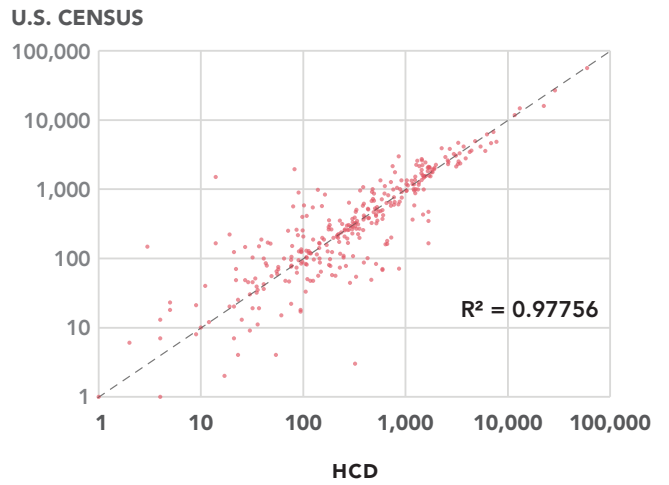
18 R-squared is a statistical measure of how close the data are to the fitted regression line. Here, a comparison of the same variable (number of permits issued in a given time period) using two different data sources (HCD vs. CIRB and HCD vs. U.S. Census) measures the magnitude of the difference of permit figures. In other words, it measures how well the CIRB or the U.S. Census data fits the HCD data. Mathematically, r-square is equal to regression sum of squares divided by the total sum of squares.

Figure 6a Permitted Units Comparison: HCD vs. CIRB



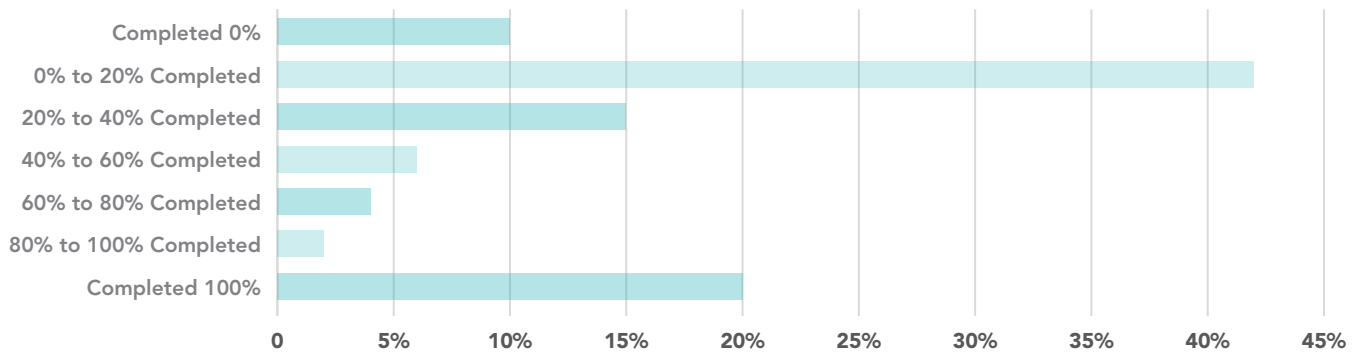
Source: California Department of Housing and Community Development; Construction Industry Research Board, California Homebuilding Foundation. Analysis by Beacon Economics. Note: Only jurisdictions that have submitted an APR at least once is shown here. Data displayed on logarithmic scale.

Figure 6b Permitted Units Comparison: HCD vs. U.S. Census



Source: California Department of Housing and Community Development; Building Permits Survey, U.S. Census Bureau. Analysis by Beacon Economics. Note: Only jurisdictions that have submitted an APR at least once is shown here. Data displayed on logarithmic scale.

Figure 7 Percentage of RHNA Completion as of 2017: Jurisdictions Without Data on Permit Completion by Income Level



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

Beyond the RHNA APR: Scorecards for Jurisdictions with Permit Data by Income Level

Why grade these jurisdictions? The current housing crisis is very much a result of years of undersupply of housing units, made worse by local opposition to development, through NIMBYism, inadequate and/or outdated zoning practices that prevent necessary development, or lack of financing for affordable housing.

As RHNA serves as the sole benchmark to which the state can set and track progress on meeting local and regional housing needs, all progress on mitigating the housing crisis is pinned to RHNA target completion. Yet, as this brief has outlined, many jurisdictions do not participate in the process by never providing an APR, or participate but fall consistently behind on targets for lower-income levels while overbuilding for higher-income levels. Scoring all jurisdictions based on their progress and participation in the RHNA process helps underscore which areas are doing their part to mitigate the housing crisis, versus those that are falling behind.

Table 3 provides a summary of grades for jurisdictions by COG or region. The grading methodology and rubric utilized to score all jurisdictions are described in detail in Appendix D. Scorecards within each region are available in Appendix E.

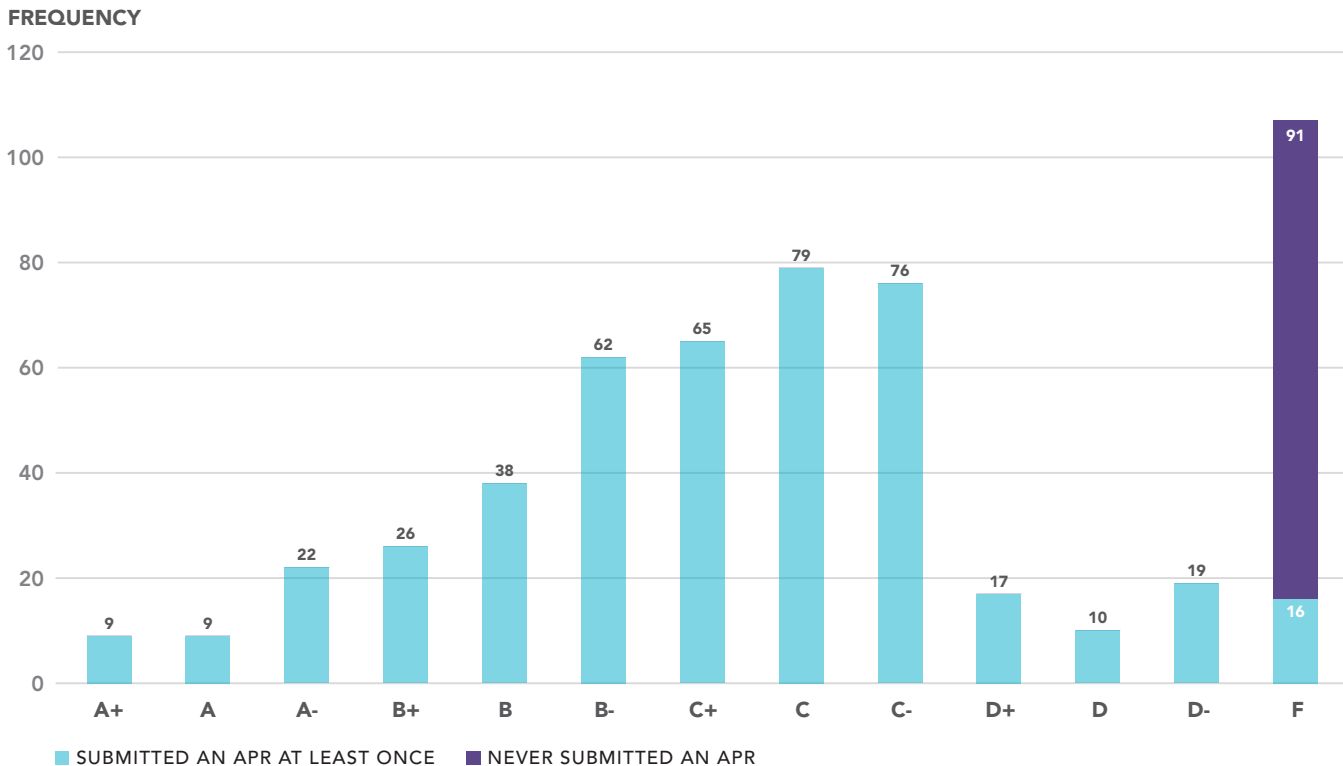
As Figure 8 illustrates, jurisdictions across California have performed unsatisfactorily. 19.9 percent of the jurisdictions earned an F grade, making it the most common grade assigned, followed by a C grade (14.7%) and a C- grade (14.1%). Jurisdictions that have never submitted an APR were given an F grade due to a failure to participate in the RHNA process. The percent of jurisdictions that got an F that does not include those who didn't submit an APR would be 17 percent of all grades issued. Only 40 jurisdictions (7.4%) attained a current grade of A- or above. Among the major COGs, ABAG and SBCAG (Santa Barbara County) earned the highest overall grade of B-.

Table 3 Grades of all Jurisdictions by COG or Region

Region or COG	Final Score	Average Grade
California	0.361	C
ABAG	0.532	B-
SACOG	0.366	C
SCAG (ex. LA County)	0.346	C
LA County	0.296	C-
SANDAG	0.47	C+
Central Coast	0.364	C
South Central Valley	0.271	C-
North Central Valley	0.274	C-
Northern California	0.263	C-

At the county level, a few Northern California counties without a COG—Lassen, Modoc, Sierra, and Trinity—all earned an overall grade of F. On the other hand, Marin, Napa, and San Francisco—all of which are part of ABAG—had the highest overall grade of B+. Since each jurisdiction carries an equal weight in computing a county's or COG's overall grade, in the case of Marin County and Napa County, the seemingly high grade is biased upward by smaller jurisdictions that have performed well. Indeed, San Rafael and Napa, the largest cities of Marin County and Napa County, respectively, both earned a grade of C—the lowest grade earned by jurisdictions in these

Figure 8 Final Grade Distribution for all 539 Jurisdictions in California



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

two counties. The performance scorecard seems to favor larger and more densely populated areas such as ABAG jurisdictions, while rural counties earn lower grades. This may indicate that it is more challenging to permit new housing in rural areas and/or that the local governments in rural areas may have fewer resources to prepare APRs.

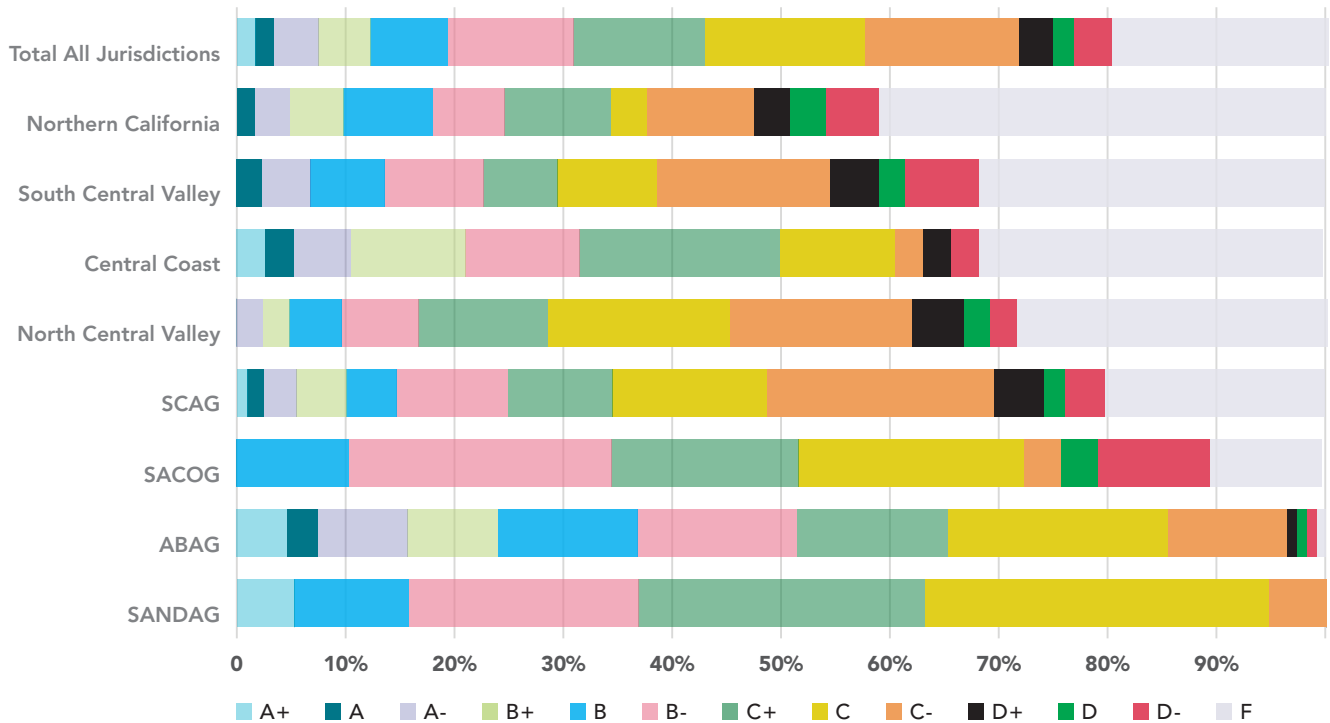
Figure 9 shows the report card grade distribution by the four major COGs (ABAG, SACOG, SANDAG, and SCAG) and four regional areas comprised of smaller COGs and counties without representing COGs. SANDAG is the only COG where all jurisdictions have submitted an APR every year and none of the jurisdictions have earned a sub-grade of F in the RHNA permitting portion.

Among the jurisdiction in Los Angeles County that have submitted an APR at least once, most of the jurisdictions that earned a F sub-grade in the RHNA permitting portion are the so-called Gateway Cities, which are located in the southeastern part of the County, where median household income is typically less than the county median household income.

Over 40 percent of Northern California jurisdictions have earned an F grade. Among the five counties in Central Coast, over half of the 13 jurisdictions in Monterey County have received an F, which also accounted for over half of the F grades earned in Central Coast.¹⁹ Six out of Fresno County’s 16 jurisdictions and five out of Kern County’s 12 jurisdictions accounted for most of the F grades (14 total) in South Central Valley.

¹⁹ Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz.

Figure 9 Report Card Grade Percentage Distribution by Region



Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

Low Bar vs. High Grade

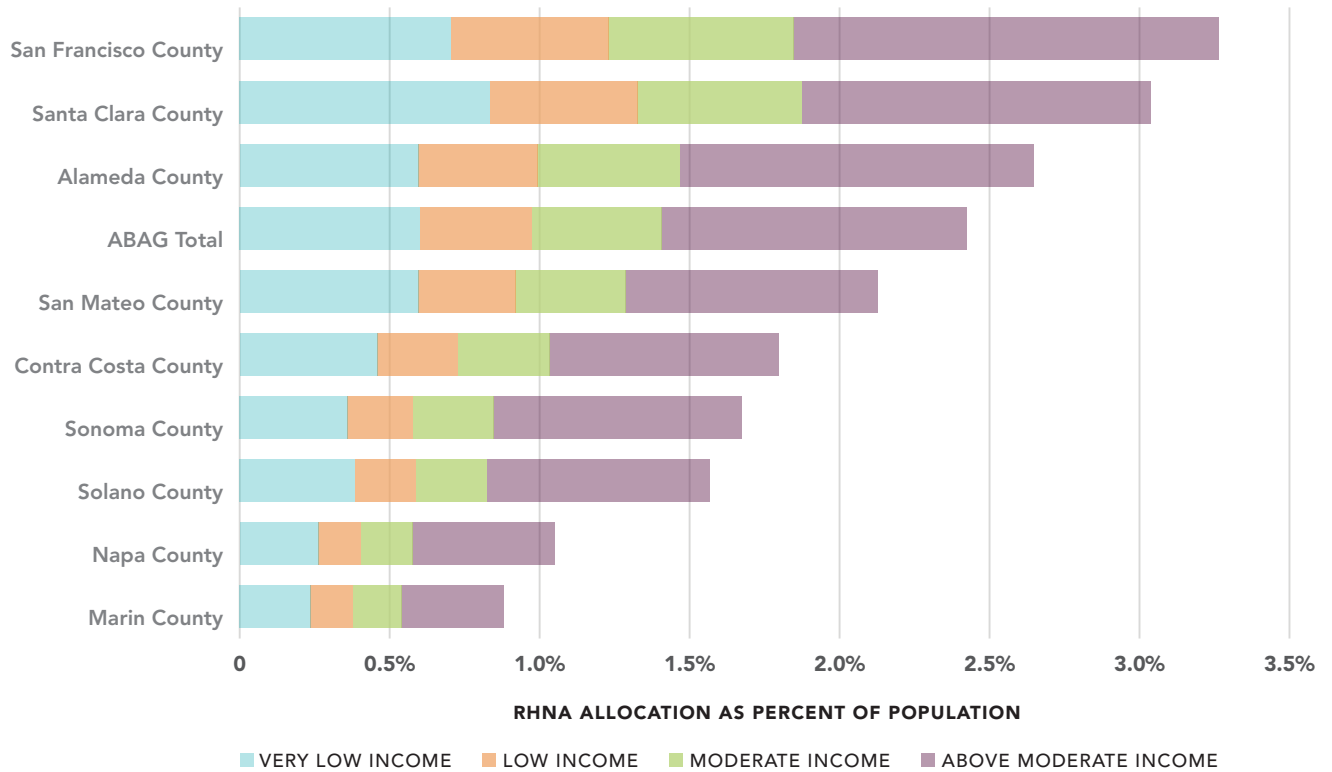
Figure 10 shows that among the nine counties in ABAG, Napa County and Marin County—which received the highest overall grades in ABAG—also have the lowest RHNA allocation as percentage of population. Relative to the county population, both Napa and Marin counties have relatively low RHNA allocation goals compared to other Bay Area counties. As Figure 10 depicts, Marin (0.9%) and Napa (1.1%) have the lowest total RHNA allocation as percentage of population and are the only counties within ABAG where total RHNA allocation as a percentage of population is less than half of that of ABAG-wide (2.4%).

On the other hand, San Francisco County has the highest total RHNA assigned relative to population (3.3%). When the bar is set low, it is not surprising that jurisdictions such as Marin and Napa perform well. Outside of ABAG, several jurisdictions have earned a high grade solely because these jurisdictions all have a very low number of RHNA housing units assigned. Notable examples include Beverly

Hills (Los Angeles County), West Hollywood (Los Angeles County), Signal Hill (Los Angeles County), and Mission Viejo (Orange County).

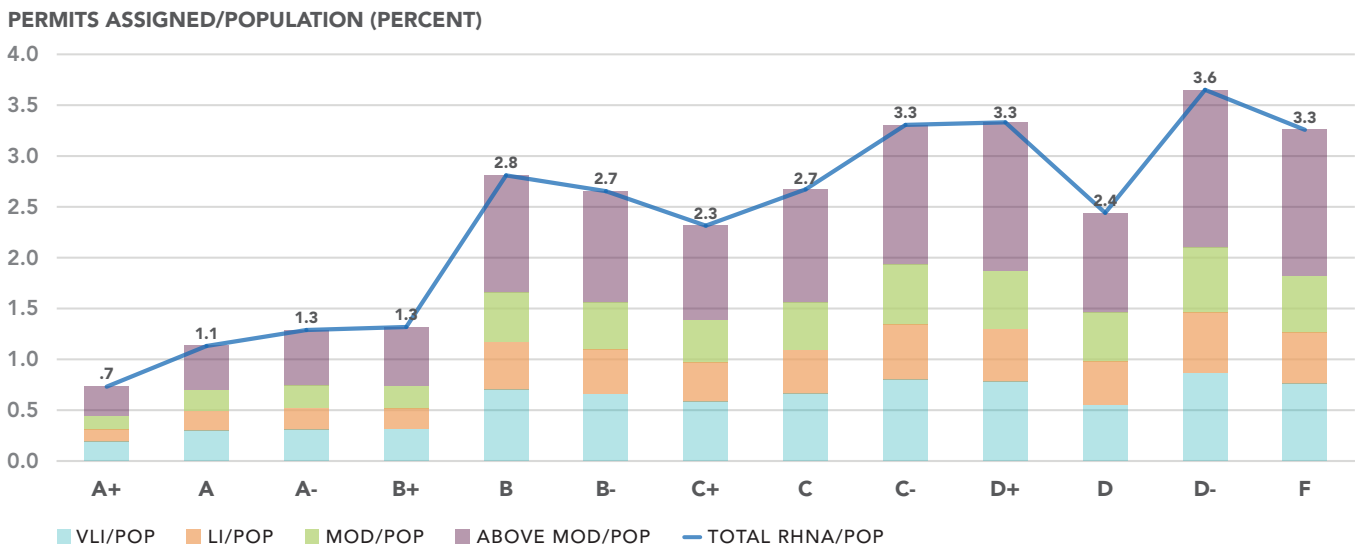
An important takeaway from this scorecard analysis is that these scorecards by no means provide a complete picture of the underlying roots that give rise to the current housing crisis. The grades assigned in the scorecards use RHNA allocation as the benchmark. However, RHNA itself has a host of problems and the housing allocation process is far from being equitable or adequate. This is true when examining the average number of permits assigned over population by income level and grade for all 539 jurisdictions. The nine jurisdictions that earned an A+ had an average of 0.7 permits assigned per 100 persons. Figure 11 shows that permits assigned per 100 persons increases gradually as grades decrease, with jurisdictions earning an A+ issuing an average 0.7 and those with a to B+ an average of 1.3, then spikes to a 2.8 average for jurisdictions with a B grade, which increase further to more than 3.0 for jurisdictions with a grade of C- or below.

Figure 10 ABAG RHNA Allocation Relative to 2017 Population, by County and Income Level



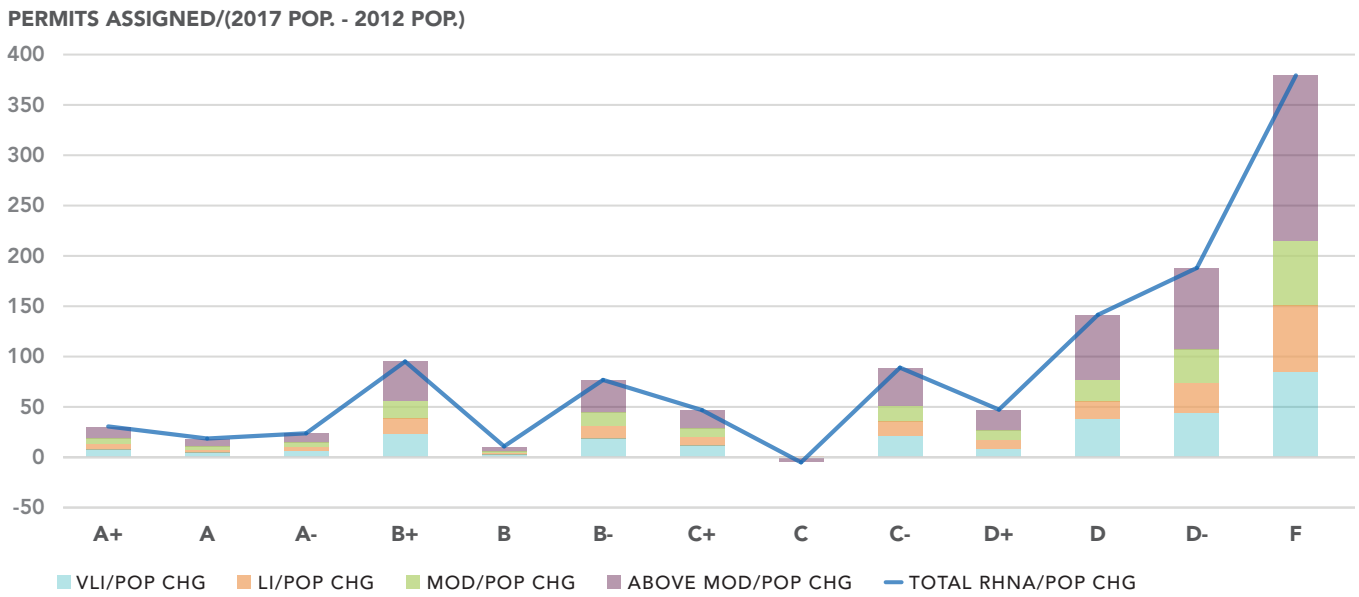
Source: California Department of Housing and Community Development; Analysis by Beacon Economics.

Figure 11 RHNA Allocation Relative to 2017 Population, by Scorecard Grade and Income Level. Total all 539 Jurisdictions.



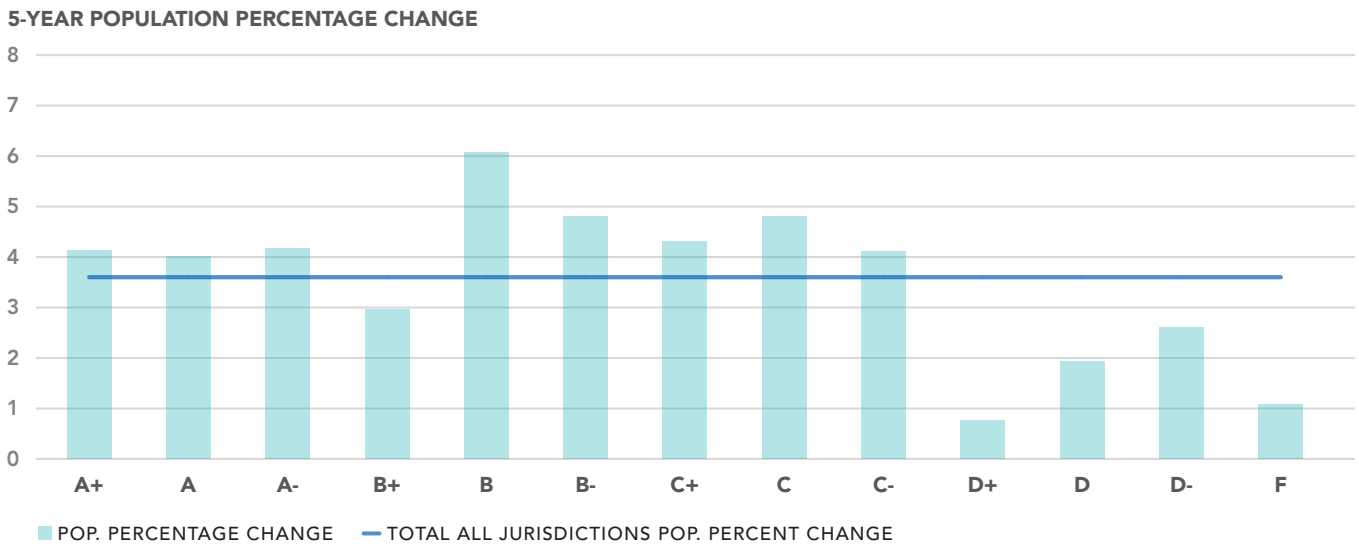
Source: California Department of Housing and Community Development; American Community Survey 5-year Estimates, U.S. Census Bureau. Analysis by Beacon Economics.

Figure 12 RHNA Allocation Relative to 2017 Population Change, by Scorecard Grade and Income Level. Total all 539 Jurisdictions.



Source: California Department of Housing and Community Development; American Community Survey 5-year Estimates, U.S. Census Bureau. Analysis by Beacon Economics.

Figure 13 Five Year Population Percent Change by Scorecard Grade. Total all 539 Jurisdictions.



Source: California Department of Housing and Community Development; American Community Survey 5-year Estimates, U.S. Census Bureau. Analysis by Beacon Economics.

When the number of RHNA units assigned is compared relative to population change²⁰ instead of population, the difference is even more drastic—especially at the lowest grade levels. Figure 12 illustrates that the ratio of RHNA units to change in population jumps from an average of 18.4 permits per 100 additional persons to 379 permits per 100 additional persons.

The allocation of units finds itself misaligned with regard to the dynamics of the housing market—namely population change and job growth projections. Examining past COG Regional Transportation Plan (RTP) projections highlights the disconnect between factors such as job growth and housing allocation. SCAG's 2012-2035 RTP forecast estimates Beverly Hills will gain 300 households and 3,400 jobs between 2008 and 2020, yet was only assigned 3 housing units in the Fifth Cycle RHNA allocation.²¹

Conversely, for jurisdictions with an F grade, establishing the goal of building 3.79 housing units per each new person seems nothing short of ridiculous. Many of these jurisdictions are in rural northern California with little population growth over the past few years. Figure 13 indicates that population increased by 3.6 percent from 2012 to 2017 among all jurisdictions. However, jurisdictions earning a D+ or below all have below average population growth.

20 Five-year population change from 2012 to 2017 using American Community Survey 5-Year Estimates.

21 SCAG Regional Transportation Plan Growth (RTP) 2012-2035 Forecast Appendix. Adopted April 12, 2012. Accessed January 14, 2019. Retrieved: http://rtpscs.scag.ca.gov/Documents/2012/final/SR/2012fRTP_GrowthForecast.pdf

Conclusion

There is no question that California's RHNA process has failed to live up to its stated purpose, as most jurisdictions have continued to fail to meet their housing goals and those that do perform well often do so because there's a relatively low bar of success. While the recently passed housing legislation package of 2017 may help improve RHNA data accountability and transparency, more enforcement mechanisms may be necessary in order to meet existing goals, as may be a comprehensive assessment of the goal-setting process to ensure it is not guaranteeing a continued shortage by setting goals according to the status quo, in which soaring costs and homelessness on the rise.

Governor Newsom has signaled a desire to reassess the housing goals, and build in a stronger enforcement mechanism of denying transportation funds to jurisdictions that aren't meeting their goals. On January 25th, the Governor's office announced that the state of California was "taking first-of-its-kind legal action against [Huntington Beach] for standing in the way of affordable housing production and refusing to meet regional housing needs"—a move that could set precedent for greater enforcement of RHNA goals in other areas of the state.²²

The ongoing housing crisis in California requires legislative action. The state must have a robust set of production goals as a precondition of meeting the state's housing challenges. While the analysis in this paper could not address all underlying challenges to the state's inability to adequately address the housing crisis – including the need for better financing mechanisms to help jurisdictions meet lower-income goals²³– it does indicate that the Regional Housing Needs Allocation process is indeed "broken": in its current form, it is not a meaningful benchmark to help solve housing challenges in the state.

Currently, HCD determines the regional housing needs assessment for each COG by utilizing population forecasts from the California Department of Finance. Estimates of household formation determines future household estimates, which provides the foundation of RHNA allocation. The state needs housing goals that help address housing demand rather than simply defining "housing needs" as maintaining pace with projected household growth.

Redefine housing needs

Projected household growth is the backbone of RHNA methodology. While COGs each have unique methodologies for distributing housing units across member jurisdictions, population and demographic forecasts produced by local COGs must be consistent with those produced by the DOF. The annual household growth projections in the state have been consistently falling over time in large part because of falling headship rates among younger age cohorts in California.

22 Office of Governor Gavin Newsom (2019). In the Face of Unprecedented Housing Crisis, California Takes Action to Hold Cities Accountable for Standing in the Way of New Housing. Published January 25, 2019. Accessed January 29, 2019. Retrieved from URL: <https://www.gov.ca.gov/2019/01/25/housing-accountability/>

23 In November 2018, voters did approve \$6 billion through Proposition 1 and Proposition 2 to be made available for affordable housing.

The use of household growth forecasts as a benchmark for housing policy has become a vicious self-reinforcing process. The declining household formation rates help determine future household estimates, which provides the foundation of RHNA targets, but fail to account for the impact California's housing shortage has had on household formation rates. Many Californians have opted or had to share housing due to the state's high cost of living—resulting in a reduction of new households formed. By relying on past trends in household formation, the current housing needs assessment fails to capture the extent of housing demand in the state.

If state housing policy is going to utilize RHNA progress as a benchmark, housing needs calculations should be reexamined in order to better account for historic unmet housing needs and distribute allocations equitably across a region. State and local officials need a more accurate understanding of actual state-wide housing needs to benchmark policy and performance against, and there could be value utilizing housing market metrics (rents, vacancy rates, etc.) to account for unmet demand.

Zone for existing demand

For many jurisdictions, the fundamental obstacles to achieving the necessary housing goals include land use regulations that favor single-family homes and local opposition. Governor Newsom's proposal that calls for a more centralized approach could just be what the state sorely needs. For many people unable to secure housing before housing costs skyrocketed, HCD taking a more active role in longer-term strategy through housing element reviewing housing elements and, overseeing and enforcing regional housing goals and productions might be what is needed to fix the current RHNA allocation process and make progress toward alleviating the housing crisis.

Recent analysis from the Legislative Analyst's Office further underscores the ongoing disconnect between where housing elements envision growth and where it is actually able to take place.²⁴ Local zoning rules that favor single-family units over multi-family continue to impede progress toward allowing communities to meet their housing needs. Until local communities can make it legal to build and prioritize development of residential housing for all income types, we will only continue to exacerbate our existing housing crisis.

Local control often misses the forest for the trees

The state actively allows local jurisdictions to plan for unsustainable growth. Throughout planning documents at all of the COGs, there are jurisdictions forecasted to add jobs but not housing, further exacerbating the jobs to housing ratio locally and pushing workers farther from their place of employment. As noted in this brief, SCAG's 2012-2035 RTP forecast Beverly Hills to add 3,400 jobs between 2008 and 2020 and only 900 residents. The most recent projections in the 2020 RTP allow planning to move forward with the same jobs/housing imbalance—Beverly Hills is forecasted to add 4,011 jobs from 2016-2035 yet only add 969 households. Those additional workers must live somewhere and it will probably fall upon neighboring jurisdictions to provide housing, because if history is any guide, the RHNA unit allocation for Beverly Hills will not come close to addressing the needs anticipated in the job growth projections.

Local elected leaders often have concerns and local incentives that may be rational within the confines of their jurisdictions, but when taken together across the state, result in problematic macro-economic outcomes and only exacerbate the state's dire housing crisis. It's time for a statewide solution, and the existing RHNA is not that solution.

24 Legislative Analyst's Office (2017). Do Communities Adequately Plan for Housing? Published March 8, 2017. Accessed January 29, 2019. Retrieved from URL: <https://lao.ca.gov/Publications/Report/3605>

Appendix

Appendix A: Data and Methodology of Expected Year of Completion

Data comes from California Department of Housing and Community Development (HCD). The number of units permitted are self-reported by jurisdictions.

The most recent year of Annual Progress Report submission is 2017 (2018 APR submissions are due in April 2019). Although the HCD has assigned a prorated RHNA progress by income level based on the number of years elapsed, most jurisdictions do not have a January 1 start date (many have June and October start dates instead). Further, jurisdictions do not have the same start year either—most began the current cycle in 2013 or 2014, with the rest beginning in 2015 or later.

Based on the HCD data, Beacon Economics has tallied the cumulative number of units permitted by income level by jurisdiction from the beginning of said jurisdiction's current RHNA cycle to the end of 2017. The annualized permit numbers are derived based on the cumulative tallies, which are then used to derive the anticipated year of completion.

Appendix B: GIS Map and Report Card Regions

There are 21 Council of Governments (COGs) and 17 counties (mostly rural and sparsely populated) without COGs. For the purpose of illustration, California has been divided into eight (8) regions: 4 major COGs and 4 general regions:

- Association of Bay Area Governments (ABAG): Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma County
- Sacramento Area Council of Governments (SACOG): El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba County
- Southern California Association of Governments (SCAG): Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura County
- San Diego Association of Governments (SANDAG): San Diego County
- Central Coast Region: Association of Monterey Bay Area Governments (AMBAG – Monterey and Santa Cruz County), San Benito, San Luis Obispo Council of Governments (SLOCOG - San Luis Obispo County), and SBCAG (Santa Barbara County)
- South Central Valley Region: Fresno COG (Fresno County), Inyo, Kern COG (Kern County), Kings, and Tulare County
- North Central Valley Region: Alpine, Amador, Calaveras, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, and Tuolumne County
- Northern California Region: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity County

Appendix C: RHNA Model of Selected COGs

Association of Bay Area Governments (Fifth RHNA Cycle)

Housing units are allocated based on Priority Development Areas (PDA) and Non-Priority Development Areas (non-PDA) from a given jurisdiction's Sustainable Communities Strategy (SCS), with the following COG-wide growth allocation split: PDA = 70 percent and non-PDA = 30 percent, but the percentage split varies by each jurisdiction. ABAG performs several steps to adjust the preliminary units derived from the SCS. As follows:

Step 1: PDA/non-PDA RHNA allocation based on SCS (Sustainability Communities Strategy) Input: Data from the Jobs-Housing Connection Strategy. Note that Priority Development Areas consist of the following areas with examples in parentheses:

- » Regional Center: 75-300 dwelling units (DU)/net acre, 5.0 net floor-area-ratio (FAR) (e.g., Downtown San Francisco, Downtown Oakland),
- » City Center: 50-150 DU/net acre, 2.5 net FAR (Downtown Berkeley, Downtown Santa Rosa),
- » Urban Neighborhood: 40-100 DU/net acre, 1.0 net FAR (East Sunnyvale, SF Eastern Neighborhoods),
- » Transit Neighborhood: 20-50 DU/net acre, 1.0 net FAR (Castro Valley BART),
- » Transit Town Center: 20-75 DU/net acre, 5.0 net FAR (Downtown Mountain View, Fairfield/Vacaville Train Station),
- » Mixed-Use Corridor: 25-60 DU/net acre, 4.0 net FAR (East 14th St/Mission in SF),
- » Suburban Center: 35-100 DU/net acre, 4.0 net FAR (Dublin Transit Center, Livermore BART Station),
- » Rural Town Center: (Sebastopol), and
- » Rural Corridor: (Sonoma County – The Springs).

Step 2: Determine upper housing threshold for PDA growth and household formation growth, which are used to calculate PDA RHNA allocation/Household Formation

- » Compare whether it exceeds the 110 percent upper bound limit

Step 3: Redistribute Non-PDA growth for jurisdictions where PDA is greater than or equal to 110 percent of household formation growth to other jurisdictions based on:

- » Calculate Jurisdiction share of household formation growth (λ). This means the sum of the share of household formation growth of all jurisdictions within a COG ($\Sigma\lambda$) is equal to 100 percent
- » Let ϕ be equal to 100% minus $\Sigma\lambda$ where PDA is greater than or equal to 110% over total HH formation growth, such that ϕ is less than or equal to 100%, since $\Sigma\lambda$ is greater than or equal to 0% for jurisdictions where PDA is greater than or equal to 110% of household formation growth.
- » Adjusted jurisdiction share of household formation growth is set to be equal to jurisdiction's share of household formation growth divided by ϕ (λ/ϕ). This implies λ/ϕ is greater than or equal to λ since ϕ is less than or equal to 100% and $\lambda = 0$ for jurisdictions where PDA is greater than or equal to 110% of household formation growth.
- » Calculate sum of non-PDA allocation for jurisdictions where PDA is greater than or equal to 110% of household formation growth. This sum is the number of units to redistribute among jurisdictions where PDA is less than 110% of household formation growth.
- » Each jurisdiction where PDA is less than 110% of household formation growth gets additional allocation of λ/ϕ times the sum of non-PDA allocation for jurisdictions where PDA is greater than or equal to 110% of household formation growth (rounded). Let's call this ϕ . This is added to the jurisdiction's non-PDA share of RHNA allocation.

Step 4a: Calculate the normalized three (3) “Fair Share Factors”: Past RHNA Performance, Employment, Transit (weighted equally). All are normalized to the range from -100% to 100%. Then obtain the “factor adjusted non-PDA RHNA allocation”

- Past RHNA Performance: Based solely on number of permits issued in previous cycle (third RHNA cycle) instead of percentage of RHNA allocation met.
 - » More permits issued (NOT higher percentage of RHNA met) in the past = greater reduction on current RHNA allocation.
 - » This means large cities such as San Jose and San Francisco get greatest reductions simply because larger cities = issue more permits generally
- Employment: Based solely on number of non-PDA jobs. Number of PDA jobs does not matter.
 - » More non-PDA jobs = greater addition on current RHNA allocation.
 - » This favors small cities (because these cities have lower non-PDA jobs), more rural areas, and cities with low non-PDA jobs.
- Transit: Based on transit frequency (headway = 60/avg stops per hour) AND transit coverage (percent intersections with transit stops). Each weighted equally at 50%
 - » Jurisdictions with low average stops per hour = greater reduction on current RHNA allocation
 - » Jurisdictions with low transit coverage = greater reduction on current RHNA allocation
 - » Both means jurisdictions with more frequent and higher transit coverage (ala San Francisco) get the greatest addition on current RHNA allocation. On the other hand, cities with poor transit coverage and frequency (e.g., cities in Marin County) get highest reduction on current RHNA allocation.
- Because each of the three components are weighted equally, the fair sharing scoring ranges from -33% to 33%] for each score.
- Each of the 3 scores is multiplied by the adjusted non-PDA RHNA allocation to obtain the factor adjusted non-PDA

Step 4b: Determine draft non-PDA share of RHNA allocation total

- Recall that because the calculation of the 3 Fair Share Factors is not dependent on ABAG’s total non-PDA RHNA allocation, this means the sum of the adjusted non-PDA RHNA allocation (62,770) is NOT EQUAL to the original ABAG non-PDA RHNA allocation (56,397).
- Each jurisdiction’s adjusted non-PDA RHNA allocation is normalized by [sum of non-PDA RHNA allocation / sum of adjusted non-PDA RHNA allocation] or is multiplied by 56,397/62,770.

Step 5: Apply the Minimum Housing Floor (40%)

- Unlike the maximum housing ceiling (110%), which is based on PDA portion of RHNA only, the 40 percent floor is based on total RHNA (PDA + adjusted non-PDA)
- If (PDA + adjusted non-PDA)/ household formation is less than or equal to 40% OR PDA/HH formation is greater than or equal to 110%, reduce PDA + adjusted non-PDA to 0; this is the min/max allocation. This means the sum of min/max allocation satisfies the condition sum of new (PDA + adjusted non-PDA) is greater than or equal to total RHNA allocation.

Step 5a: For jurisdictions where the min/max allocation = 0: find out the rebalance allocations for other jurisdictions where the min/max allocation is not equal to 0.

- » For jurisdictions where (PDA + adjusted non-PDA)/ household formation is less than or equal to 40%, redistribution amount is equal to household HH formation growth times 40%
- » For jurisdictions where PDA/ household formation is greater than or equal to 110%, redistribution amount = PDA portion of RHNA allocation

Step 5b: For jurisdictions where the min/max allocation ≠ 0: the rebalance allocation amount is the total of the rebalanced amount from jurisdictions where the min/max allocation = 0 on a pro rata basis based on the jurisdiction’s share of min/max allocation to the total min/max allocation.

- The results obtained from Step 5a and Step 5b would be the pre-final RHNA Allocation Note the sum of rebalance from Step 5a plus the sum of rebalance from Step 5b should equal to the total PDA + non-PDA RHNA allocation originally.

City of Berkeley’s RHNA Housing Distribution by Income Level, Before and After Applying the 175 Percent Income Shift, and as Benchmarked Against the Regional Income Distribution

	Very Low (0%-50%)	Low (51%-80%)	Moderate (81%-120%)	Above Moderate (120%+)
Regional Income Distribution	25%	15%	18%	42%
Berkeley (pre-adjustment)	35%	16%	15%	34%
Berkeley (adjusted)	18%	15%	20%	47%
Difference (pre-adjustment) compared to Regional Income Distribution	10%	1%	-3%	-8%
Difference (adjusted) compared to Regional Income Distribution	-7%	0%	2%	5%

Step 6: Final Rebalance and Reallocation

- Compare a jurisdiction’s pre-final RHNA allocation versus the allocation from the previous RHNA cycle.
 - » Step 6a: If pre-final RHNA allocation is greater than 150% of its allocation from previous cycle, the difference that will be rebalanced would be pre-final RHNA – 150% * RHNA from previous cycle.
 - This means final RHNA allocation = pre-final RHNA – 150% of previous RHNA (if pre-final RHNA is greater than 150% of previous RHNA)
 - » Step 6b: The sum of the difference would be redistributed to jurisdictions where pre-final RHNA is less than or equal to 150% of RHNA from previous cycle based on a jurisdiction’s share of RHNA (excluding jurisdictions where pre-final RHNA allocation is more than 150% greater than its allocation from previous cycle). The additional rebalance amount distributed would be added to the pre-final RHNA to obtain the final RHNA allocation for each jurisdiction.
 - This means final RHNA allocation = pre-final RHNA + (sum of rebalance amount from Step 6a) * (jurisdiction’s share of pre-RHNA allocation [after excluding jurisdictions where pre-final RHNA allocation is greater than 150% of its allocation from previous cycle])

Step 7: Allocate Final RHNA by Income

- ABAG used the income allocation methodology that is part of the region’s allocation methodology to determine each sub region’s allocation by income.
- The purpose of applying a 175 percent Income Shift is to normalize jurisdictions closer to the regional distribution by income.
 - » This means a jurisdiction with a higher percentage of housing allocated for an income level would see lower percentage after applying the shift and vice versa.
- The 175 percent shift appears to be exogenous and there is no explanation why 175 percent is used instead of other percentages.
 - » Applying the Income Shift appears to cause over-adjustments in jurisdictions that have materially different RHNA housing distribution by income level pre-adjustment. The accompanying table uses Berkeley as an example. Before adjustment, its existing share of distribution for above moderate-income is 34%, or 8% below the regional distribution of 42%. After applying the 175% adjustment, however, Berkeley’s share of distribution for above moderate-income stands at 47%, or 5% above the regional distribution.

In actuality, because of the way ABAG calculates the income distribution, the more a jurisdiction’s existing income distribution deviates from ABAG-wide’s, the more it swings to the other side. This is illustrated in the accompanying table using the city of Berkeley as example.

Southern California Association of Governments (Fifth RHNA Cycle)

SCAG also uses a step process to determine the number of housing units each jurisdiction in the SCAG region is responsible for. However, the methodology differs significantly compared to ABAG. It is worth noting that the final allocated housing amount for the entire region is determined by the HCD after consulting with SCAG. The generalized steps of housing allocation by income is summarized as follows.

Step 1: Determine existing housing needs

- Determine each local jurisdiction’s share of the region’s total housing needs
- Household statistics such as over-payment, overcrowding, and housing stock quality are collected from the US Census
- Inventory of land suitable for development and redevelopment is taken in each jurisdiction
- Needs for special needs populations are considered

Step 2: Determine future housing needs

- Project future growth in households by calculating the headship rate and applying that rate to population growth
- Subtract population and household growth located on tribal lands
- Ensure a healthy market vacancy rate (1.5% for owner-occupied units and 4.5% for renter-occupied units) by adding those on to the household growth figures
- Replace projected demolished units by using Department of Finance’s historical numbers and applying that amount to jurisdictions according to SCAG’s Housing Unit Demolition Survey to determine a fair share amount
- Subtract housing units from jurisdictions that have excess vacant units

Step 3: Determine number of housing units by income level

- Moves the cities’ household income distribution to 110 percent towards the corresponding County’s distribution of the four income levels using data from the American Community Survey.

Appendix D: Report Cards Grading Rubric

Grades are determined based on two major components: annual progress report submission (20% of final grade) and prorated RHNA percentage completion by income level (80% of final grade).

The APR submission portion is straightforward. The HCD notes whether a jurisdiction has submitted an APR for years 2013, 2014, 2015, 2016, and 2017. The raw score is calculated linearly: a jurisdiction that has submitted an APR for all five years is award a raw score of 0.2 (the maximum allowable score), a score of 0.16 if it has submitted for four years, and so on.

Number of Times Submitted	Raw Score
0	0.00
1	0.04
2	0.08
3	0.12
4	0.16
5	0.20

Since COGs have varying RHNA projection periods (5 or 8 years) and commenced the current cycle on different dates, the prorated RHNA percentage completion is used to judge a jurisdiction’s progress instead of a simple RHNA percentage completion. Housing is allocated on four income levels: Very Low Income (VLI; less than 50% of Area Median Income), Low Income (LI; 50– 80% of AMI), moderate income (MOD; 80–120% of AMI), and above moderate income (Above MOD; more than 120% of AMI). In recent years, the lion’s share of new housing units built have been for households making above moderate AMI, which means lower-income households are

Income Level	Weight
Very Low Income	0.30
Low Income	0.30
Moderate Income	0.25
Above Moderate Income	0.15
Total Weight	1.00

more underserved than above moderate-income households. For this reason, the VLI and LI categories carry more weight than MOD, which carries more weight than Above MOD. The maximum raw score awarded for the prorated RHNA percentage completion by income level is 1.00, which is then multiplied by 80 percent as this section is worth 80 percent of the final grade.

There is no “extra credit” awarded to jurisdictions that have completed more units than the prorated amount or that have exceeded the assigned RHNA amount for each category. For example, 67 LI permits have been issued in Paso Robles, San Luis Obispo County during the current cycle, which is more than 60 percent²⁵ of the 77 units allocated by RHNA. Paso Robles earns a maximum sub-section score of 0.3 instead of 0.435 (67 / (77*0.6) * 0.3). Similarly, 157 VLI permits have been issued, which exceeds the 123 units assigned. It earns a maximum sub-section score of 0.3 instead of 0.64 (157 / (123*0.6) * 0.3).

It is important that no extra points are awarded to jurisdictions for permitting more units than the prorated amount assigned. This prevents jurisdictions that have permitted the majority of housing units to one particular income level from receiving a high raw score, despite actually failing to meet the goals for other income levels. For example, Dublin, Alameda County has permitted 2,717 units as of 2017, exceeding its total RHNA allocation of 2,285 by 430 units. However, 2,638 units (97%) of the units permitted have been for the above moderate-income level. Allowing for extra points implies Dublin would have a raw score of 1.825 (out of 1.00 maximum). Instead, it earns a score of 0.268 without extra points.

The sub-scores of the APR submission and the prorated RHNA percentage completion sections are added and assigned a letter grade for each jurisdiction based on the following grading rubric.

A grade of A+ is only awarded to jurisdictions that had perfect sub-scores for both sections. In addition, since it is not possible to determine the number of units permitted by income levels for jurisdictions that have never submitted an APR, these jurisdictions automatically earn a score of 0.00 and an F grade.

At Least	Less Than	Grade
0.00	0.05	F
0.05	0.10	D-
0.10	0.15	D
0.15	0.20	D+
0.20	0.30	C-
0.30	0.40	C
0.40	0.50	C+
0.50	0.60	B-
0.60	0.70	B
0.70	0.80	B+
0.80	0.90	A-
0.90	1.00	A
1.00		A+

Appendix E: Grading California Jurisdictions’ RHNA Progress

This section presents the grades in nine separate scorecards for the following regions: ABAG, SACOG, SCAG excluding Los Angeles County, Los Angeles County, SANDAG, Central Coast, South Central Valley, North Central Valley, and Northern California. Grades are listed from best to worst within their region.

The nine scorecards contain all 539 jurisdictions—482 incorporated cities and 57 unincorporated county areas. Grading on a statewide curve, certain regions averaged better than others. Generally, regions with high population density and median household income scored better than regions with low population density and median household income.

²⁵ San Luis Obispo County runs on a five-year RHNA cycle currently, from 2014 to 2019. This means as of 2017, 60% of the current cycle has elapsed.

Table E.1 Selected Best- and Worst-Performing Jurisdiction per Region (Excludes Jurisdictions w/o Available Data)

Region	Overall Grade	Best	Worst
ABAG	B-	Calistoga (Napa)	Millbrae (San Mateo)
SACOG	C	Woodland (Yolo)	Wheatland (Yuba)
SCAG ex. LA County	C	San Bernardino County Unincorporated Area	Calipatria (Imperial)
Los Angeles County	C-	West Hollywood	Westlake Village
SANDAG	C+	Lemon Grove	El Cajon
Central Coast	C	Paso Robles (San Luis Obispo)	Monterey (Monterey)
South Central Valley	C-	Coalinga (Fresno)	Sanger (Fresno)
North Central Valley	C-	Calaveras County Unincorporated Area	Ceres (Stanislaus)
Northern California	C-	Anderson (Shasta)	Montague (Siskiyou)

There are nine jurisdictions that have obtained a perfect score. As described in Appendix D, a jurisdiction earns full score for any sub-section of its RHNA portion of the grade as long as it meets or exceeds the prorated RHNA completion. This means for a jurisdiction where it is exactly half way through the current RHNA cycle, its *prorated* factor is 0.5. As long as this jurisdiction has completed at least 50 percent of its RHNA allocation for an income level, it earns full mark for this sub-section. Therefore, the overall best-performing jurisdiction is determined by whether it has already met or exceeded its RHNA allocation by income level. Only West Hollywood in Los Angeles County has met or exceeded its RHNA allocation for all four income levels and is thus scored as the best-performing jurisdiction.

The following section briefly discusses the performance of each of the 9 regions and provides an accompanying score card.

ABAG

ABAG is the best-performing region with the highest overall grade of B-. Of the nine jurisdictions that earned a perfect score, five of them are part of ABAG. Rio Vista in Solano County is the only jurisdiction that has never submitted an APR and thus is the only jurisdiction in ABAG that earned an F grade. Other than that, Pinole (Contra Costa County) and Millbrae (San Mateo County) are the only regions that received an F in the RHNA Completion portion (80% of total grade).

Table E.2 Selected Worst-Performing ABAG Jurisdictions, RHNA Completion Progress (Units Permitted/Allocation)

	Very Low	Low	Moderate	Above Moderate	Total
Pinole	0/80	0/48	1/43	4/126	5/297
Millbrae	0/193	0/101	0/112	3/257	3/663

SACOG

SACOG earned an average grade of C (0.366), which is about the same as California statewide average's grade of C (0.361). It is also the only region where no jurisdiction earned at least an A- or above. Woodland in Yolo County received the highest grade awarded to SACOG jurisdictions (0.699 or a B). Of the six counties that make up SACOG, Yuba County performed significantly worse than the other five counties, receiving one of the few Fs awarded at the county level.²⁶ Countywide, Yuba has just issued 86 permits (out of 5,231 assigned); all of which have been for above moderate income.

SCAG (Excluding Los Angeles County)

Note: The reason Los Angeles County has its own report card is because of the sheer number of jurisdictions under SCAG. With 19 million people in population, SCAG alone accounts for more than half of California's population. There are 197 jurisdictions under SCAG, 89 of which are in Los Angeles County.

SCAG excluding Los Angeles County earned an average grade of C (0.346). Among the five counties, the overall grades differ little, with Orange County receiving the highest grade of C and Imperial County, Riverside County, and San Bernardino County each receiving a C-. San Bernardino County Unincorporated Area received the only A+ awarded to SCAG excluding Los Angeles County. Meanwhile, despite being notorious for having a high percentage of overcrowded households, San Ana has performed very well, finishing in second place.

The following seven jurisdictions have issued zero permits in total and are some of the worst-performing jurisdictions: Calipatria (Imperial), Westmorland (Imperial), Laguna Woods (Orange), Rancho Santa Margarita (Orange), Banning (Riverside), Apple Valley (San Bernardino), and Port Hueneme (Ventura).

Table E.3 ABAG County-Level Scorecard

County	Final Score	Average Grade
Alameda	0.496	C+
Contra Costa	0.455	C+
Marin	0.703	B+
Napa	0.740	B+
San Francisco	0.706	B+
San Mateo	0.521	B-
Santa Clara	0.475	C+
Solano	0.420	C+
Sonoma	0.600	B

Table E.4 SACOG County-Level Scorecard

County	Final Score	Average Grade
El Dorado	0.387	C
Placer	0.355	C
Sacramento	0.371	C
Sutter	0.483	C+
Yolo	0.489	C+
Yuba	0.030	F

Table E.5 SCAG (Excluding LA County) County-Level Scorecard

County	Final Score	Average Grade
Imperial	0.283	C-
Orange	0.454	C+
Riverside	0.279	C-
San Bernardino	0.278	C-
Ventura	0.384	C

²⁶ Lassen, Modoc, Sierra, and Trinity are the other counties receiving an F grade.

Los Angeles County

Note: There are 197 jurisdictions under SCAG, 89 of which are in Los Angeles County. Los Angeles County alone also accounts for one-fourth of the state's population. Therefore, Los Angeles County warrants its own scorecard.

Los Angeles County underperforms compared to the statewide average, earning a grade of C-. However, West Hollywood received the highest score awarded to all 539 jurisdictions and is the only jurisdiction that has already met or exceeded its RHNA allocation for all income levels. The other best-performing jurisdiction is Signal Hill with a final score of A. Los Angeles County's overall dismal performance can be attributed to a high share of its jurisdictions (32 out of 89) having received an F sub-grade on the RHNA completion portion. Those that have not submitted an APR and received a final score of zero include Azusa, Bradbury, Commerce, Compton, Covina, El Segundo, Hawaiian Gardens, Hermosa Beach, Hidden Hills, Industry, La Habra Heights, La Puente, Lancaster, Lynwood, Maywood, Montebello, Palos Verdes Estates, Pico Rivera, Pomona, Rolling Hills, Vernon.

SANDAG

SANDAG, which includes only San Diego County, earned an overall grade of C+. It is the only region where none of its jurisdictions received an F for the RHNA completion portion and as an overall grade. Lemon Grove is the only jurisdiction in SANDAG receiving an A+ while El Cajon received the lowest grade of C-.

Central Coast

The Central Coast region received an average grade of C. Paso Robles (San Luis Obispo County) earned the only A+ awarded to the Central Coast. The Central Coast's grade is dragged down by Monterey County, which received an average grade of D+ and where seven out of its thirteen jurisdictions have received an F grade. Monterey County also accounted for over half of the F grades awarded to Central Coast. At the county level, San Barbara County received the highest grade (B-) among the five Central Coast counties while Monterey County received the lowest grade (D+).

Table E.6 Selected Best-Performing and Worst-Performing Los Angeles County Jurisdictions, by Score & Grade

Jurisdiction	Final Score	Average Grade
West Hollywood	1.000	A+
Signal Hill	0.976	A
Beverly Hills	0.880	A-
Westlake Village	0.040	F
South El Monte	0.040	F
Manhattan Beach	0.040	F

Table E.7 Selected Best-Performing and Worst-Performing San Diego County Jurisdictions, by Score & Grade

Jurisdiction	Final Score	Average Grade
Lemon Grove	1.000	A
Coronado	0.320	C
Del Mar	0.320	C
El Cajon	0.253	C-

Table E.8 Central Coast County-Level Scorecard

County	Final Score	Average Grade
Monterey	0.172	D+
Santa Cruz	0.459	C+
San Benito	0.298	C-
San Luis Obispo	0.455	C+
Santa Barbara	0.528	B-

Table E.9 Coalinga, Prorated RHNA Completion Progress

	Very Low	Low	Moderate	Above Moderate	Overall	Prorated Factor
Coalinga	23.3%	27.8%	22.0%	26.9%	25.3%	25.0%

South Central Valley

The South-Central Valley region, home to some of the poorest regions in California, earned a grade of C-. Coalinga (Fresno County), which received the highest grade, is just about on track across all income levels. This means should Coalinga fail to continue to permit new housing it could fall very far behind the curve.

On the other hand, Sanger, also in Fresno County, has failed to issue a single permit at all. At the county level, Kings County (overall grade: D-) was the clear weakest link. Of the five jurisdictions, the HCD has no data on three. Of the remaining two jurisdictions, both have just attained two percent of the assigned RHNA housing allocations.

North Central Valley

North Central Valley’s (score of 0.274) overall performance is very similar to South Central Valley’s (score of 0.271). Calaveras County Unincorporated Area, the best performer in North Central Valley region, has already fulfilled its RHNA goal for moderate-income and completed about half of its RHNA goals for the other three income levels. Meanwhile, Mono County Unincorporated Areas actually has already far surpassed its assigned RHNA goals for all income levels except for very low income, which has sadly seen zero units permitted so far.

Table E.10 South Central Valley County-Level Scorecard

County	Final Score	Average Grade
Fresno	0.260	C-
Inyo	0.329	C
Kern	0.233	C-
Kings	0.082	D-
Tulare	0.432	C+

Table E.11 North Central Valley County-Level Scorecard

County	Final Score	Average Grade
Alpine	0.613	B
Amador	0.259	C-
Calaveras	0.411	C+
Madera	0.283	C-
Mariposa	0.389	C
Merced	0.194	D+
Mono	0.520	B-
San Joaquin	0.169	D+
Stanislaus	0.262	C-
Tuloumne	0.461	C+

Table E.12 Anderson, Prorated RHNA Completion Progress

	Very Low	Low	Moderate	Above Moderate	Overall	Prorated Factor
Anderson	71.9%	90.5%	100%	55.9%	74.3%	60.0%

Northern California

Northern California, where twelve of its sixteen counties have no representing COGs, scored the lowest average score of 0.263 (C-). Along with Los Angeles County, the Northern California region also has a high share of jurisdictions not submitting APRs. Of the five counties earning an F grade, four (Lassen, Modoc, Sierra, and Trinity) are in Northern California. Nevertheless, a couple of jurisdictions have made excellent progress in fulfilling their RHNA goals. Anderson (Shasta), which received an A, is on track for its very low income and low-income housing allocations, has already fulfilled its goal for moderate-income, and is narrowly behind for above moderate-income.

Table E.13 Selected Best-Performing and Worst-Performing Northern California Jurisdictions, by Score & Grade

Jurisdiction	Final Score	Average Grade
Anderson (Shasta)	0.952	A
Nevada County Unincorporated Area	0.864	A-
Ukiah (Mendocino)	0.800	B+
Ferndale (Humboldt)	0.040	F
Montague (Siskiyou)	0.040	F
Siskiyou County Unincorporated Area	0.040	F