



## AB 2485: RHNA Transparency Reform Act

### PURPOSE

Assembly Bill 2485 seeks to enhance transparency in the Department of Housing and Community Development’s (HCD) regional housing needs calculation process by creating an advisory panel and requiring the publication of methodologies used on HCD’s website.

### BACKGROUND

The Regional Housing Needs Assessment (RHNA) is a state-mandated program that requires cities and counties to build new housing for expected population growth over an eight-year planning period.

Initially, HCD first collaborates with regional Council of Governments (COGs) to establish methodologies for calculating housing needs. HCD then communicates its estimations and final determinations to COGs through written statements. Next, COGs distribute needs to local jurisdictions that develop implementation plans.

In March 2022, the State Auditor conducted an emergency audit to examine the RHNA process and identified several errors in HCD’s housing projections, resulting in a decrease in the housing amounts. Specifically, Sacramento COG fell short by 2,484 housing units and Santa Barbara COG by 1,338 units<sup>1</sup>.

The State Auditor attributed HCD’s miscalculations to a lack of oversight in staff data entry and a failure to consider all factors required by state law in its estimates. Additionally, the State Auditor stated that shortcomings in calculations and support for HCD’s factor considerations risk eroding public confidence in their ability to provide accurate information to COGs about housing needs.

In 2021, the Orange County COGs filed a lawsuit against HCD, claiming that HCD used inaccurate data rates in their evaluations. In a separate lawsuit,

individuals and nonprofit corporations argued that HCD failed to consider factors required by law in its assessment for the San Francisco Bay Area COGs.

The State Auditor recommended a formal review process and thorough documentation measures to ensure that all RHNA calculations provided to COGs by the HCD are accurate.

### EXISTING LAW

Government Code Section 65584.01 requires HCD to meet and consult with COGs regarding the assumptions and methodologies used to determine the region’s housing needs at least 26 months prior to final determinations.

Government Code Section 65584.01 requires HCD to provide COGs with a written explanation of data assumptions and methodologies used to determine RHNA allocations.

### SOLUTION

AB 2485 aims for transparency in the RHNA determination process by providing COGs, housing stakeholders, members of the public, and all interested parties with information on the data sources, analyses, and calculation methods used by HCD. This bill would establish a formal review process by creating an expert panel to advise HCD on its assumptions, data, and analyses prior to a final RHNA determination.

### SUPPORT

Southern California Association of Governments (SCAG) – Sponsor

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<sup>1</sup><https://www.auditor.ca.gov/reports/2021-125/index.html>