



FINAL REGIONAL HOUSING NEEDS PLAN

CYCLE 6 | AUGUST 2022

Tulare County Association of Governments

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TULARE COUNTY ASSOCIATION OF GOVERNMENTS
6TH CYCLE REGIONAL HOUSING NEEDS PLAN

TULARE COUNTY ASSOCIATION OF GOVERNMENTS

6th Cycle Regional Housing Needs Plan



Adopted August 15, 2022

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Executive Summary

State housing law assigns the responsibility for preparing the Regional Housing Needs Assessment (RHNA) for the Tulare County region to the Tulare County Association of Governments (TCAG). TCAG, and other California councils of governments (COGs), undertake the RHNA process prior to each housing element cycle. The Regional Housing Needs Plan (RHNP) describes the methodology developed to allocate the region's housing needs in four income categories (very low, low, moderate, and above moderate) among Tulare County's eight cities and the unincorporated county in accordance with the objectives and factors contained in State law.

The RHNA process begins with the RHNA Determination. The California Department of Housing and Community Development (HCD) issues a RHNA Determination to TCAG all other COGs in California to identify housing needs for each region of the state. The TCAG RHNA Determination is the total number of units that the jurisdictions within the Tulare County region must plan for in their housing elements. The Determination, which is divided into four income categories is based on California Department of Finance (DOF) and HCD population projections. HCD provided the Tulare County region a final RHNA Determination of 33,214 housing units on October 21, 2021. The RHNA Determination covers a planning period from June 30, 2023, through December 31, 2031.

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The RHNA process (Government Code Section 65584 et seq.) requires TCAG to develop and adopt a methodology for allocating a portion of the RHNA Determination to each jurisdiction within the Tulare County region. Prior to adoption of the RHNA Methodology, TCAG staff consulted the Regional Housing Needs Advisory Committee which is comprised of representatives from each of the jurisdictions in the county, a building and development advocate and an affordable housing advocate (Self-Help Enterprises). Together, TCAG staff, the Regional Housing Needs Advisory Committee, and the TCAG Board considered different methodologies to allocate a portion of the RHNA Determination to each jurisdiction.

The RHNA Methodology (Methodology A – Regional Income Parity by 2046) was approved by the TCAG Board of Governors on December 6, 2021. An underlying principle of the RHNA Methodology is to ensure that affordable housing is equitably distributed throughout the region. The Methodology applies an adjustment factor based on disparities in household income across the TCAG region. The adjustment factor assigns a higher proportion of units affordable to lower income households to jurisdictions that currently have a lower proportion of affordable households compared to the regional average and assigns a lower proportion of affordable units to jurisdictions that currently have a higher proportion of affordable households than the regional average. The Methodology is intended to help the region achieve income parity (the same proportion of affordable units in each community) by 2046. Table 1 summarizes the overall allocation of units to each jurisdiction and the allocation by the four income categories. The RHNA Methodology is described in more detail in Section III.

Following adoption of the RHNA, each jurisdiction in the county must update its housing element consistent with the 2023-2031 RHNA and submit it to HCD for certification. The housing element must demonstrate that

Tulare County Regional Housing Needs Advisory Committee

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City of Dinuba

Lisa Wallis-Dutra
City of Exeter & City of Farmersville

Edward Real
City of Lindsay

Jason Ridenour - Vice Chair
City of Porterville

Mike Miller
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Nick Mascia, City of Visalia

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City of Woodlake

Mike Lane
Building/Development

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Affordable Housing Advocate

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adequate sites and zoning are available during the planning period to accommodate the RHNA for all income categories. HCD reviews each jurisdiction’s housing element for compliance with State law.

Table 1 – Final Allocation by Income Tier

Final Allocation by Income Tier											
	Total RHNA Allocation	Affordable Allocation (Combined Low + Very Low Income)		Very Low Income Allocation		Low Income Allocation		Moderate Income Allocation		Above Moderate Income Allocation	
	Units	Units	Percent of Total RHNA	Units	Percent of Total RHNA	Units	Percent of Total RHNA	Units	Percent of Total RHNA	Units	Percent of Total RHNA
Dinuba	1,588	625	39.4%	387	24.4%	238	15.0%	268	16.9%	695	43.8%
Exeter	844	318	37.7%	197	23.3%	121	14.3%	146	17.3%	380	45.0%
Farmersville	654	218	33.3%	135	20.6%	83	12.7%	121	18.5%	315	48.2%
Lindsay	789	151	19.1%	93	11.8%	58	7.4%	178	22.6%	460	58.3%
Porterville	4,064	1,409	34.7%	872	21.5%	537	13.2%	739	18.2%	1,916	47.1%
Tulare	4,749	2,319	48.8%	1,435	30.2%	884	18.6%	677	14.3%	1,753	36.9%
Visalia	10,791	6,047	56.0%	3,741	34.7%	2,306	21.4%	1,321	12.2%	3,423	31.7%
Woodlake	492	122	24.8%	75	15.2%	47	9.6%	103	20.9%	267	54.3%
Unincorporated County	9,243	2,526	27.3%	1,563	16.9%	963	10.4%	1,870	20.2%	4,847	52.4%
Total	33,214	13,735	41.4%	8,497	25.6%	5,238	15.8%	5,424	16.3%	14,055	42.3%

*Note: Percentages may not sum to 100 percent due to rounding
Source: TCAG 2022*

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SECTION I: INTRODUCTION

Overview of State Law, Regulatory Requirements, and the RHNA Process

State housing law assigns the responsibility for preparing the Regional Housing Needs Assessment (RHNA) for the Tulare County region to the Tulare County Association of Governments (TCAG). TCAG and other California councils of governments (COGs), undertake the RHNA process prior to each housing element cycle. The current RHNA is for the sixth housing element cycle and covers an 8.5-year projection period (June 30, 2023 – December 31, 2031).

The RHNA process for the Tulare County region was initiated in September 2020 and was completed in August 2022 with the adoption of the Final Regional Housing Needs Plan (RHNP). The RHNP describes the methodology developed to allocate the region's housing needs in four income categories (very low, low, moderate, and above moderate) among the eight cities and the unincorporated county.

RHNA Factors and Objectives

Factors

State law requires that the following factors to be evaluated and considered where appropriate when developing the methodology per Government Code Section 65584.04(e).

- 1) Existing and projected jobs and housing relationship, particularly low-wage jobs and affordable housing
- 2) Lack of capacity for sewer or water service due to decisions outside jurisdiction's control
- 3) Availability of land suitable for urban development
- 4) Lands protected from urban development under existing federal or state programs
- 5) County policies to preserve prime agricultural land
- 6) Distribution of household growth in the Regional Transportation Plan (RTP) and opportunities to maximize use of transit and existing transportation infrastructure

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- 7) Agreements to direct growth toward incorporated areas
- 8) Loss of deed-restricted affordable units
- 9) Households paying more than 30 percent and more than 50 percent of their income in rent
- 10) The rate of overcrowding
- 11) Housing needs of farmworkers
- 12) Housing needs generated by a university within the jurisdiction
- 13) Housing needs of individuals and families experiencing homelessness
- 14) Units lost during a state of emergency that have yet to be replaced
- 15) The region's greenhouse gas (GHG) emissions targets

Objectives

California Government Code Section 65584(d) identifies the following five objectives that adopted allocation methodology must further:

- 1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- 3) Promoting an improved intraregional relationship between jobs and housing including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- 4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

- 5) Affirmatively furthering fair housing. For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Affirmatively furthering fair housing (AFFH) is a new required objective that was added for the 6th cycle the RHNA methodology.

Regional Housing Needs Allocation Determination

The RHNP assigns each jurisdiction part of the RHNA Determination, issued by HCD. The TCAG RHNA Determination is the total number of housing units that the jurisdictions within the Tulare County region must collectively plan to accommodate between June 30, 2023, and December 31, 2031. The RHNA Determination, which is divided into four income categories, is based on California Department of Finance (DOF) and HCD population projections. Table 2 shows the breakdown of the RHNA Determination by the four income categories.

Table 2 – Total RHNA Determination

Table 2: Total RHNA Determination by Income Category		
Income Category	Housing Units	Percent
Very Low	8,497	25.6%
Low	5,238	15.8%
Moderate	5,424	16.3%
Above Moderate	14,055	42.3%
Total	33,214	100.0%

Source: California Department of Housing and Community Development

Organization

The RHNA is organized into three sections:

Section I: Introduction, which provides background information, overview of State law and regulations, the objectives and factors for the RHNA, and the RHNA determination

Section II: The RHNA Process

Section III. Adopted RHNA Methodology and Allocation, which provides a detailed description of the adopted RHNA Methodology

The appendices include the RHNA Methodology, the survey sent to the jurisdictions and a summary of the results, the Regional Housing Needs Determination Letter from HCD, documents related to the development of the RHNA Methodology, and California Government Code Section 65584.

SECTION II: THE RHNA PROCESS

The 6th Cycle RHNA methodology was informed by input from stakeholders and developed in close coordination with the Regional Housing Needs Advisory Committee, with consultation with HCD, and with oversight from the TCAG Board of Governors.

Determination from HCD

The RHNA process began in September 2020 when TCAG began working with HCD regarding the RHNA Determination. In May 2021 HCD provided TCAG a draft RHNA Determination. On October 27, 2021, HCD provided a final RHNA Determination of 33,214 housing units for the 8.5 RHNA period. (See Appendix 2 for HCD determination letter to TCAG)

Jurisdiction Survey

In February 2021, an initial data request and survey was sent to each jurisdiction in conjunction with the Regional Transportation Plan (RTP) data request and survey. In April 2021, a follow-up survey was sent to each jurisdiction to identify additional data and information that could inform the objectives that the RHNA is required to advance and/or the factors required for consideration when developing the RHNA methodology to the extent that sufficient data is available.

The results of the survey were discussed at subsequent Regional Housing Needs Advisory committee meetings. A copy of the survey and a summary of the survey results are included in Appendix 3.

Regional Housing Needs Advisory Committee

The Regional Housing Needs Advisory Committee consisted of a representative from each of the jurisdictions, a building and development representative and an affordable housing advocate (Self-Help Enterprises). The representative from Self-Help Enterprises was selected as the chair of the Regional Housing Needs Advisory committee.

The Committee met on November 19, 2020, March 25, 2021, April 22, 2021, June 24, 2021, September 23, 2021, October 28, 2021. During the meetings, the committee reviewed the process and goals of the RHNA and engaged in thoughtful discussions regarding the survey results and of the RHNA methodology.

At the October 28, 2021 committee meeting, the committee unanimously recommended Methodology A -Regional Income Parity by 2046 for adoption.

TCAG Board of Governors

The TCAG Board of Governors is comprised of one representative from each of the eight cities, the five members of the County Board of Supervisors, and three members-at-large. Board members and the members of the public were given opportunities to review, comment, and ask questions about the RHNA Determination and Methodology.

State law requires TCAG to release the Proposed RHNA Methodology for public review and comment period. The comment period gives the public and each jurisdiction an opportunity to provide comments on the RHNA Methodology. The public review and comment period for the TCAG Proposed RHNA Methodology ran for 30 days from December 6, 2021, to January 6, 2022. The TCAG Board of Governors approved and adopted the RHNA Methodology at their December 6, 2021, meeting subject to receiving no additional comments during the 30-day review period. No additional comments were received.

Based on the adopted RHNA Methodology, TCAG released the RHNA Allocations as a part of the Draft Regional Housing Needs Plan (RHNP) on June 27, 2022, for a 45-day appeal and public comment period. No appeals or comments were received. The TCAG Board of Governors adopted the Final RHNP at the August 15, 2022, TCAG Board of Governors meeting.

HCD Review

Pursuant to Government Code Section 65584.04(i), HCD is required to review the draft RHNA Methodology to determine whether it furthers the statutory objectives described in Government Code Section 65584(d). The draft allocation methodology was submitted to HCD on January 24, 2022, for review. On March 24, 2022, HCD completed its review of the methodology and found that the draft RHNA Methodology furthers the statutory objectives described in Government Code 65584(d) (See Appendix 4) HCD's review includes a detailed analysis of how the draft methodology furthers each of the statutory objectives.

SECTION III: ADOPTED RHNA METHODOLOGY AND ALLOCATIONS

The regional housing determination provided by HCD includes both a total number of housing units and a distribution of those units across four affordability tiers: very low-income, moderate-income, and above-moderate income (see Table 2 above).

RHNA Allocations

The approved methodology uses the following process to distribute the housing units:

Step 1 – Calculate the Total RHNA Allocation by Jurisdiction.

The regional control totals used for the RHNA, RTP, and Sustainable Communities Strategy (SCS) are perfectly consistent and are based upon the DOF/HCD projections for population (within 1.5%) and the exact projection for households. Subregional allocations were based upon the existing 2021 population, housing, jobs distribution within the region consistent with the 2009 Regional Blueprint

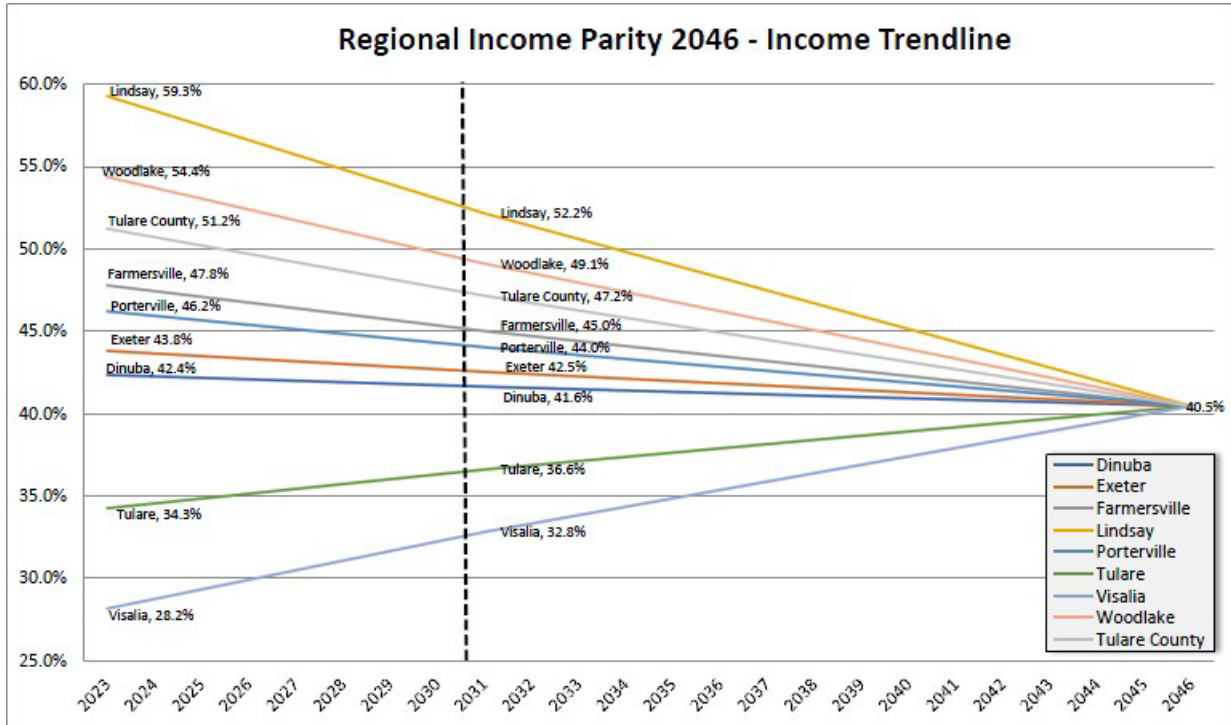
Step 2 – Calculate the Affordable RHNA by Jurisdiction

The methodology establishes a trendline for each jurisdiction to determine the percentage of new housing units that must be affordable in order for all jurisdictions to achieve “regional income parity” (i.e., an equal percentage of affordable housing units by a specific future date) (see Figures 2,3, and 4). Jurisdictions that currently have a higher proportion of lower-income households compared to the current regional average, are expected to plan for a lower proportional share of affordable units. Conversely, jurisdictions that currently have a lower share of lower-income households compared to the regional average are expected to plan for a higher percentage of affordable units.

The methodology uses an Income Parity Trendline to assign the number of units necessary for each jurisdiction to be trending towards regional income parity by 2046, the horizon year for the RTP/SCS. See Figure 1 and Table 3 below.

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Figure 1 – Regional Income Parity 2046 | Income Trendline



Sources

2023 affordable percentages: 2019 ACS

2046 income parity percentages: 2019 ACS (existing countywide average)

2031 affordable percentages: Calculated using a trendline between 2023 affordable percentage and 2046 income parity percentage

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Table 3 – Methodology | Income Parity by 2046

Methodology - Income Parity by 2046											
	Total Housing Units June 2023	Total Housing Units December 2031	Net New Housing Units (2023-2031)	Existing Percentage of Affordable Units	2023 Affordable Units	2031 Intersection of 2046 Income Parity Trendline	Regional Parity	Total Affordable Units in 2031 to Reach Income Parity	2023 - 2031 Affordable Allocation		Percent Affordable Allocation
									Units	Percent of Total	
	A	B	C	D	E	F	G	H	I	J	K
Dinuba	7,181	8,769	1588	42.4%	3041	41.64%	40.5%	3651	625	5%	39.4%
Exeter	3,854	4,698	844	43.8%	1688	42.55%	40.5%	1999	318	2%	37.7%
Farmersville	2,957	3,611	654	47.8%	1413	45.02%	40.5%	1626	218	2%	33.3%
Lindsay	3,715	4,503	789	59.3%	2202	52.17%	40.5%	2349	151	1%	19.1%
Porterville	19,123	23,187	4064	46.2%	8837	44.04%	40.5%	10211	1409	10%	34.7%
Tulare	22,349	27,097	4749	34.3%	7655	36.60%	40.5%	9917	2319	17%	48.8%
Visalia	50,729	61,521	10791	28.2%	14286	32.81%	40.5%	20183	6047	44%	56.0%
Woodlake	2,332	2,824	492	54.4%	1268	49.12%	40.5%	1387	122	1%	24.8%
Unincorporated County	46,589	55,832	9243	51.2%	23868	47.16%	40.5%	26331	2526	18%	27.3%
Total	158,828	192,043	33214	40.5%	64260	40.44%	40.5%	77655	13735	100%	41.4%

Sources:

- Column A: Control totals from TCAG Demographic Forecast
- Column B: Control totals from TCAG Demographic Forecast
- Column C: Column A subtracted from Column B
- Column D: 2019 American Community Survey
- Column E: Column A multiplied by Column D
- Column F: Calculated using a trendline between Column D and Column G
- Column G: 2019 American Community Survey (existing countywide average)
- Column H: Column B multiplied by Column F
- Column I: Column E subtracted from Column H and then proportionally adjusted to add up to countywide total of 13,735
- Column K: Column I divided by Column C

Step 3 – Calculate the Jurisdictional Allocation by Income Tier

The final step is to distribute the remaining income categories proportionately to the allocations assigned to the region from HCD. Affordable allocations are the combination of very low and low which make up 61.9% and 38.1% of the affordable allocation respectively. Non-affordable allocations are the combination of moderate and above moderate which make up 27.8% and 72.2% of the non-affordable allocation respectively. For a detailed explanation of the methodology see Methodology A – Regional Income Parity 2046 in Appendix 1

The final jurisdictional allocation of units across all income tiers is shown in Table 4 below.

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Table 4 – Final Jurisdictional Allocation by Income Tier

Income Parity by 2046	Total RHNA (Net New Housing Units 2023-2031)	Very Low Less Than 50%		Low 50%-80%		Moderate 80-120%		Above Moderate Greater Than 120%	
		Units	Percentage	Units	Percentage	Units	Percentage	Units	Percentage
Dinuba	1,588	387	24.4%	238	15.0%	268	16.9%	695	43.8%
Exeter	844	197	23.3%	121	14.3%	46	17.3%	380	45.0%
Farmersville	654	135	20.6%	83	12.7%	121	18.5%	315	48.2%
Lindsay	789	93	11.8%	58	7.4%	178	22.6%	460	58.3%
Porterville	4,064	872	21.5%	537	13.2%	739	18.2%	1,916	47.1%
Tulare	4,749	1,435	30.2%	884	18.6%	677	14.3%	1,753	36.9%
Visalia	10,791	3,741	34.7%	2,306	21.4%	1,321	12.2%	3,423	31.7%
Woodlake	492	75	15.2%	47	9.6%	103	20.9%	267	54.3%
Unincorporated County	9,243	1,563	16.9%	963	10.4%	1,870	20.2%	4,847	52.4%
Total	33,214	8,497	25.6%	5,238	15.8%	5,424	16.3%	14,055	42.3%

Statutory Objectives

In compliance with State law, the methodology furthers all statutory objectives as outlined below.

Objective 1: Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

The methodology for allocating units in each income tier to achieve income parity by 2046 supports an equitable distribution of units such that the jurisdictions that currently have a lesser share of low- and very low-income units receive a larger allocation. The methodology allocates units in all four income tiers to each of the region’s jurisdictions.

Objective 2: Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The methodology places the majority of the units in incorporated cities while still balancing the county’s ability to invest in its disadvantaged unincorporated communities. The methodology is able to achieve this and by its incorporation in the RTP/SCS supports its ability to achieve regional GHG emission reduction targets.

Objective 3: Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

The distribution of housing and jobs for the RTP/SCS was based upon the 2009 Regional Blueprint that sought to achieve livable walkable communities through a greater jobs housing balance and increased residential densities to support investments in transit and active transportation. The 2022 RTP/SCS goes even further and was designed to implement the RHNA and provide for Environmental Justice by introducing Cross-Valley Corridor affordable transit-oriented development with ATP enhancements at station locations and augmented by micro-transit for rural communities.

The 2022 RTP/SCS builds upon recent community planning efforts that plan and invest in all communities to improve the quality of life for residents. Housing, jobs, schools, parks, trails, and other transportation amenities are planned for in the RTP/SCS. The 2022 RTP/SCS allocates over 2/3 of the growth forecast to the relatively low vehicle miles traveled (VMT) areas of three (3) largest cities and within their respective spheres of influence where the largest job centers in the region are located. The region is also home to one of the most productive agricultural counties in the country and that workers in that industry tend to live in unincorporated communities near farms and processing plants.

The regional control totals used for the RHNA and RTP/SCS are perfectly consistent and are based upon the DOF/HCD projections for population (within 1.5%) and the exact projection for households.

Objective 4: Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

TCAG addresses this objective by focusing the methodology's distribution of affordable units on achieving regional income parity by 2046. The jurisdictions with the lowest proportions of very low- and low-income households received the highest proportions of affordable housing units and the jurisdictions with the highest proportion of very low- and low-income households received the lowest proportion of affordable housing units.

Objective 5: Affirmatively furthering fair housing.

The methodology affirmatively furthers fair housing by allocating a higher proportion of very low- and low-income units to jurisdictions that have fewer low-income households and by setting forth a path to achieve income parity by 2046 across the county. This methodology addresses significant disparities in housing needs and in access to opportunity and integrates rather than concentrates areas of poverty into areas of opportunity throughout the region.

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APPENDIX 1

RHNA Methodology

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TCAG Proposed RHNA Methodology

This document describes three methodologies for the TCAG Regional Housing Needs Assessment (RHNA). The three methodologies consider regional income parity, each with a different target date. Methodology A is TCAG's proposed methodology, while Methodologies B, and C are offered as alternatives.

RHNA Process Overview.

State housing element law assigns the responsibility for preparing the Regional Housing Needs Assessment (RHNA) for Tulare County jurisdictions to the Tulare County Association of Governments. TCAG, and other California councils of government, undertake the RHNA process prior to each housing element cycle. State housing element law (Government Code Section 65584(d) and (e)) states that the RHNA must be consistent with the following objectives:

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.
2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
3. Promoting an improved intraregional relationship between jobs and housing including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction
4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
5. Affirmatively furthering fair housing.

(e) For the purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Preparing and adopting a methodology for distributing the RHNA determination to each jurisdiction in the region is the basis for the Regional Housing Needs Plan. The adopted methodology must be consistent with the aforementioned objectives of State housing element law. The methodology, ultimately adopted by the TCAG Board, must be a formula for distributing housing elements by four income categories (i.e., very low, low, moderate and above moderate) to each jurisdiction in the county.

The RHNA for TCAG covers an 8.5-year projection period from June 30, 2023 through December 15, 2031. The following steps and tables document the process of the RHNA methodology. The RHNA process is divided into three steps:

1. Calculating the total RHNA allocation by jurisdiction; and
2. Calculating the affordable housing allocations using one of three target years
3. Calculating the jurisdictional allocation by income tier

Methodologies A, B, and C

An underlying principle of the RHNA Methodology is to ensure that affordable housing is equitably distributed throughout the region. The Methodology applies an adjustment factor based on disparities in household income across the TCAG region. Methodologies A, B, and C reflect the underlying objectives of State housing law by being consistent with the SCS growth pattern and equitably distributing affordable housing among the jurisdictions in the county. They establish a trendline for each jurisdiction to determine the percentage of new housing units that must be affordable in order for all jurisdictions to achieve “regional income parity” (i.e., an equal percentage of affordable housing units) by a specific future date.

Jurisdictions that currently have a higher proportion of lower-income households compared to the current regional average, are expected to plan for a lower proportional share of affordable units. Conversely, jurisdictions that currently have a lower share of lower-income households compared to the regional average are expected to plan for a higher percentage of affordable units. The earlier the income parity date, the more pronounced the affordable allocations for jurisdictions with existing proportions of lower-income households that are significantly higher or lower than the regional average. For example, jurisdictions that have a much lower existing proportion of lower-income households than the regional average would receive a higher affordable allocation with a regional income parity date of 2041 than they would with a regional income parity date of 2051. All methodologies are intended to help the region achieve income parity (the same proportion of affordable units in each community) by a future date.

Methodology A – Regional Income Parity by 2046 (TCAG’s Proposed Methodology)

Methodology A achieves regional income parity by 2046, the horizon year for the RTP/SCS.

Methodology B – Regional Income Parity by 2041

Methodology B achieves regional income parity by 2041, five years prior to the horizon year for the RTP/SCS.

Methodology C – Regional Income Parity by 2051

Methodology C achieves regional income parity by 2051, five years following the horizon year for the RTP/SCS.

Adjustment factors considered:

Other adjustment factors including job/housing balance, transit availability, and affirmatively furthering fair housing characteristics available on HCD’s AFFA Data Viewer were also considered. While these and other factors were considered for incorporation into the methodology as additional adjustment factors,

they have been left out because they would not dramatically change the distribution pattern of affordable housing units as done by the regional income parity method. Effectively, areas with higher incomes also had better access to jobs and transit. Similarly, adjustment factors based on some of the factors available on the AFFA Data Viewer would distribute disproportionately more affordable units to areas with higher incomes, just as the regional income parity model does. Therefore, adding additional adjustment factors would have had little effect on the distribution of affordable units within the county and would primarily serve to unnecessarily complicate and convolute the methodology and make it less understandable to stakeholders and the public.

RHNA Methodologies Summary

A quantitative summary of the RHNA methodologies can be found in Table 1 below. The table summarizes affordable unit allocations for each methodology. A more detailed explanation of the methodologies and their derivation can be found in Attachment A

Table 1: RHNA Methodology Summary Table							
Jurisdiction	Total RHNA (Net New Housing Units)	Affordable Allocations					
		Methodology A: Regional Income Parity by 2046 (Proposed Methodology)		Methodology B: Regional Income Parity by 2041		Methodology C: Regional Income Parity by 2051	
		Affordable Units	Percent of Total RHNA	Affordable Units	Percent of Total RHNA	Affordable Units	Percent of Total RHNA
Dinuba	1588	625	39.4%	606	38.2%	637	40.1%
Exeter	844	318	37.7%	300	35.5%	329	39.0%
Farmersville	654	218	33.3%	188	28.7%	237	36.2%
Lindsay	789	151	19.1%	56	7.1%	211	26.8%
Porterville	4064	1409	34.7%	1260	31.0%	1504	37.0%
Tulare	4749	2319	48.8%	2504	52.7%	2202	46.4%
Visalia	10791	6047	56.0%	6883	63.8%	5515	51.1%
Woodlake	492	122	24.8%	79	16.1%	150	30.5%
Unincorporated County	9243	2526	27.3%	1859	20.1%	2950	31.9%
Total	33214	13735	41.4%	13735	41.4%	13735	41.4%

Statutory Objectives

In compliance with State law, the methodology furthers all statutory objectives as outlined below.

Objective 1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

The methodology for allocating units in each income tier to achieve income parity by 2046 supports an equitable distribution of units such that the jurisdictions that currently have a lesser share of low- and very low-income units receive a larger allocation. The methodology allocates units in all four income tiers to each of the region's jurisdictions.

Objective 2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The methodology places the majority of the units in incorporated cities while still balancing the county's ability to invest in its disadvantaged unincorporated communities. The methodology is able to achieve this and by its incorporation in the RTP/SCS supports its ability to achieve regional GHG emission-reduction targets.

Objective 3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

The distribution of housing and jobs for the RTP/SCS was based upon the 2009 Regional Blueprint that sought to achieve livable walkable communities through a greater jobs housing balance and increased residential densities to support investments in transit and active transportation. The 2022 RTP/SCS goes even further and was designed to implement the RHNA and provide for Environmental Justice by introducing Cross-Valley Corridor affordable transit-oriented development with ATP enhancements at station locations and augmented by micro-transit for rural communities.

The 2022 RTP/SCS builds upon recent community planning efforts that plan and invest in all communities to improve the quality of life for residents. Housing, jobs, schools, parks, trails, and other transportation amenities are planned for in the RTP/SCS.

The 2022 RTP/SCS allocates over 2/3 of the growth forecast to the relatively low vmt areas of three (3) largest cities and within their respective spheres of influence where the largest job centers in the region are located. The region is also home to one of the most productive agricultural counties in the country and that workers in that industry tend to live in unincorporated communities near farms and processing plants.

The regional control totals used for the RHNA and RTP/SCS are perfectly consistent and are based upon the DOF/HCD projections for population (within 1.5%) and the exact projection for households.

Objective 4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the

countywide distribution of households in that category from the most recent American Community Survey.

TCAG addresses this objective by focusing the methodology's distribution of affordable units on achieving regional income parity by 2046. The jurisdictions with the lowest proportions of very low- and low-income households received the highest proportions of affordable housing units and the jurisdictions with the highest proportion of very low- and low-income households received the lowest proportion of affordable housing units.

Objective 5. Affirmatively furthering fair housing.

The methodology affirmatively furthers fair housing by allocating a higher proportion of very low- and low-income units to jurisdictions that have fewer low-income households and by setting forth a path to achieve income parity by 2046 across the county. This addresses significant disparities in housing needs and in access to opportunity and integrates rather than concentrates areas of poverty into areas of opportunity throughout the region.

Attachment A – Detailed RHNA Methodologies

This attachment describes three methodologies for the TCAG Regional Housing Needs Assessment (RHNA). All methodologies consider regional income parity. Methodology A, Regional Income Parity by 2046 is TCAG’s proposed methodology while Methodologies B and C are offered as alternatives.

Step 1. Calculating Total RHNA Allocations by Jurisdiction

The regional control totals used for the RHNA and RTP/SCS are perfectly consistent and are based upon the DOF/HCD projections for population (within 1.5%) and the exact projection for households. Subregional allocations were based upon the existing 2021 population, housing, jobs distribution within the region consistent with the 2009 Regional Blueprint.

The 2022 RTP/SCS implements the RHNA through its jobs housing balance and transportation investments in Environmental Justice Communities. The increased residential densities and transit-oriented development envisioned by the RTP/SCS are accomplished with a 52% multifamily housing component thereby increasing accessibility and affordability for each community.

To ensure consistency between the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) and the RHNA, under all methodologies, each jurisdiction receives the same total number of housing units that are consistent with the draft RTP/SCS. The difference in the methodologies is only in how they allocate the affordable units (i.e. very low + low-income units).

The following steps show how the proportion of units allocated to each jurisdiction in the housing unit control totals were used to determine the total RHNA allocation for each jurisdiction for the 8.5-year period. *(Note: The letters in parentheses correspond with the columns in Table X)*

Step 2. Calculating the Affordable RHNA Allocations by Jurisdiction

Methodologies A, B, and C reflect the underlying objectives of State housing law by being consistent with the SCS growth pattern and equitably distributing affordable housing among the jurisdictions in the county. They establish a trendline for each jurisdiction to determine the percentage of new housing units that must be affordable in order for all jurisdictions to achieve “regional income parity” (i.e. an equal percentage of affordable housing units by a specific future date) (see Figures 2,3, and 4). Jurisdictions that currently have a higher proportion of lower-income households compared to the current regional average, are expected to plan for a lower proportional share of affordable units. Conversely, jurisdictions that currently have a lower share of lower-income households compared to the regional average are expected to plan for a higher percentage of affordable units.

Methodologies A, B, and C use an Income Parity Trendline to assign the number of units necessary for each jurisdiction to be trending towards regional income parity by a specific future date. TCAG’s preferred methodology is Methodology A, which achieves income parity by 2046, the horizon year for the RTP/SCS. Methodology B achieves regional income parity by 2041, five years prior to the horizon year for the RTP/SCS. Methodology C achieves regional income parity by 2051, five years after the horizon year for the RTP/SCS. The earlier the income parity date, the more pronounced the affordable allocations for jurisdictions with existing proportions of lower-income households that are significantly higher or lower than the regional average. For example, jurisdictions that have a much lower existing proportion of lower-income households than the regional average would receive a higher affordable

allocation in Methodology B than in Methodology C because they need to “catch up” to the regional average by 2041 instead of 2051.

The following steps were used to calculate the affordable allocations for each jurisdiction using Methodologies A, B, and C. (See Tables 2, 3, and 4) (*Note: The letters in parentheses correspond with the columns in Tables 2, 3, and 4*)

1. The 2023 total affordable units (E) by multiple the 2023 total units (A) by the existing percentage of affordable households (D) in each jurisdiction based on the 2019 American Community Survey (ACS) estimate of lower-income households. The Regional Income Parity (G) is based on the existing countywide average percentage of lower-income households from the 2019 ACS.
2. Methodology A – Regional Income Parity by 2046 (Proposed Methodology)

The December 2023 intersection of the income parity trendline (F) was calculated by establishing a trendline between each jurisdiction’s 2023 percentage of affordable households (D) and the 2046 income parity percentage of 40.5 percent (G) (i.e., the existing countywide average percentage of affordable households). This trendline is intersected at December 2031 (F) to determine what percentage of affordable households each jurisdiction should have by December 2031 in order to be trending towards income parity by 2046.

Methodology B – Regional Income Parity by 2041

The December 2023 intersection of the income parity trendline (F) was calculated by establishing a trendline between each jurisdiction’s 2023 percentage of affordable households (D) and the 2041 income parity percentage of 40.5 percent (G) (i.e., the existing countywide average percentage of affordable households). This trendline is intersected at December 2031 (F) to determine what percentage of affordable households each jurisdiction should have by December 2031 in order to be trending towards income parity by 2041.

Methodology C – Regional Income Parity by 2051

The December 2023 intersection of the income parity trendline (F) was calculated by establishing a trendline between each jurisdiction’s 2023 percentage of affordable households (D) and the 2051 income parity percentage of 40.5 percent (G) (i.e., the existing countywide average percentage of affordable households). This trendline is intersected at December 2031 (F) to determine what percentage of affordable households each jurisdiction should have by December 2031 in order to be trending towards income parity by 2051.

3. Total affordable units on December 2031, (H) were calculated by multiplying total housing units in June 2023 (B) with the December 2031 intersection of the income parity trendline (F)
4. The 2023-2031 affordable allocations (I) were calculated by subtracting the 2023 units (E) from the total affordable units in December 2031, needed to reach income parity (H) and then

proportionally scaled to equal the countywide affordable allocation of 13,735 (net new housing units multiplied by 40.5 percent)

Step 3. Calculating the jurisdictional allocation by income tier

The final step is to distribute the remaining income categories proportionately to the allocations assigned to the region from HCD (see Figure 1). Affordable allocations are the combination of very low and low which make up 61.9% and 38.1% of the affordable allocation respectively. Non-affordable allocations are the combination of moderate and above moderate which make up 27.8% and 72.2% of the non-affordable allocation respectively.

For example, in Table 5, Distribution by Income Category for Income Parity by 2046, Dinuba receives an affordable allocation of 625 units from the 2046 Regional Income Parity methodology in Table 2. The very low-income category receives 387 units which is 61.9% of the affordable category and 238 low-income category units which is 38.1% of the affordable category. The non-affordable income category takes the remaining units (1,588 total units less 625 affordable units) and assigns 268 units to the moderate category which is 27.8% of the non-affordable units assigned to Dinuba and 695 units to the above moderate-income category which is 72.2% of the non-affordable units assigned to Dinuba.

**Figure 1
HCD Regional Housing Need Allocation (RHNA)
Determination**

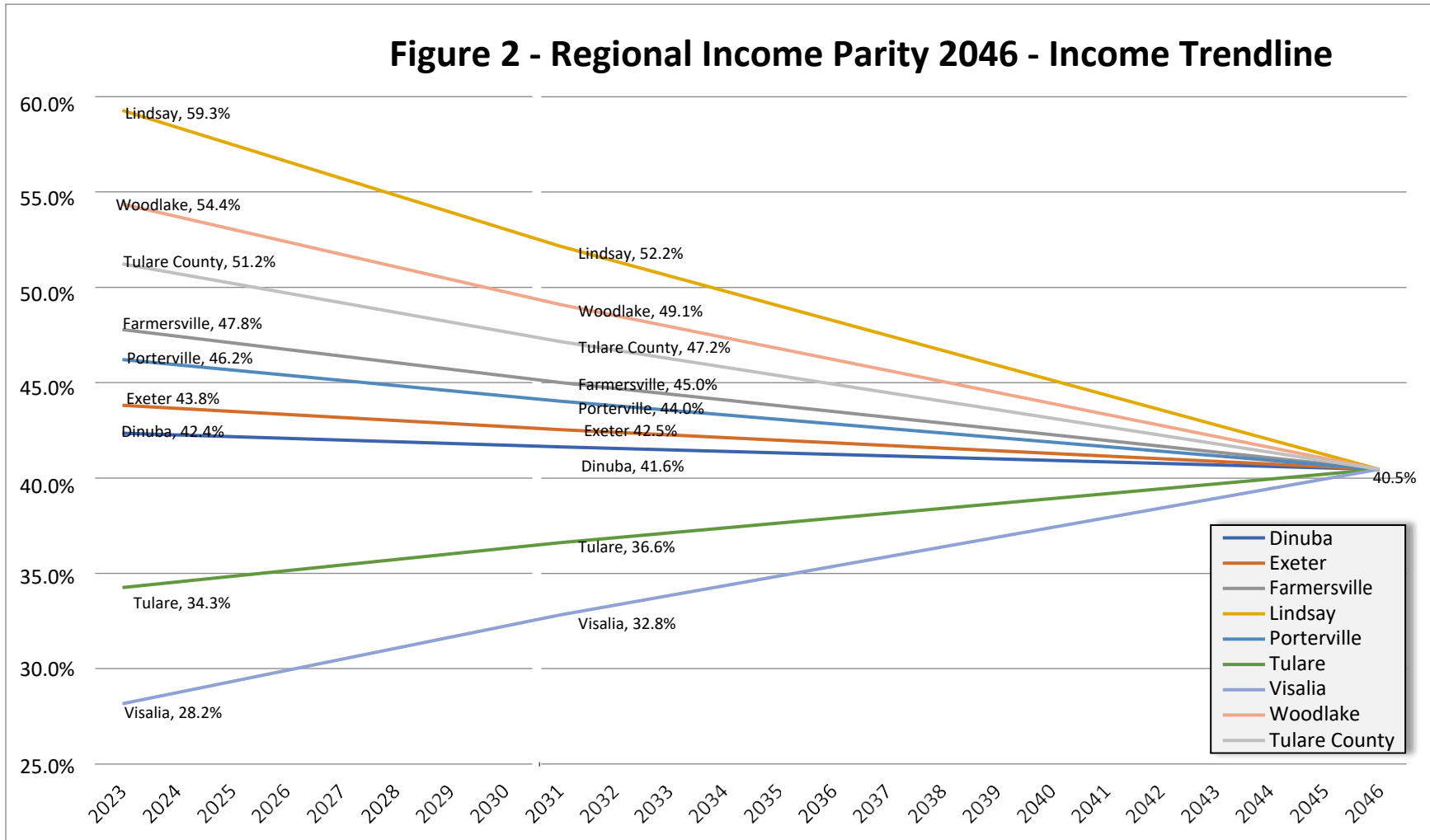
**Tulare COG
June 30, 2023 through December 31, 2031**

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	25.6%	8,497
Low	15.8%	5,238
Moderate	16.3%	5,424
Above-Moderate	42.3%	14,055
Total	100.0%	33,214

* Extremely-Low 12.7% included in Very-Low Category

Income Distribution: Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.). Percents are derived based on ACS reported household income brackets and county median income.

Figure 2 - Regional Income Parity 2046 - Income Trendline



Sources

2023 affordable percentages: 2019 ACS

2046 income parity percentages: 2019 ACS (existing countywide average)

2031 affordable percentages: Calculated using a trendline between 2023 affordable percentage and 2046 income parity percentage

Table 2 Methodology - Income Parity by 2046

	Total Housing Units June 2023	Total Housing Units December 2031	Net New Housing Units (2023-2031)	Existing Percentage of Affordable Units	2023 Affordable Units	2031 Intersection of 2046 Income Parity Trendline	Regional Parity	Total Affordable Units in 2031 to Reach Income Parity	Draft 2023 - 2031 Affordable Allocation		Percent Affordable Allocation
									Units	Percent of Total	
	A	B	C	D	E	F	G	H	I	J	K
Dinuba	7,181	8,769	1588	42.4%	3041	41.64%	40.5%	3651	625	5%	39.4%
Exeter	3,854	4,698	844	43.8%	1688	42.55%	40.5%	1999	318	2%	37.7%
Farmersville	2,957	3,611	654	47.8%	1413	45.02%	40.5%	1626	218	2%	33.3%
Lindsay	3,715	4,503	789	59.3%	2202	52.17%	40.5%	2349	151	1%	19.1%
Porterville	19,123	23,187	4064	46.2%	8837	44.04%	40.5%	10211	1409	10%	34.7%
Tulare	22,349	27,097	4749	34.3%	7655	36.60%	40.5%	9917	2319	17%	48.8%
Visalia	50,729	61,521	10791	28.2%	14286	32.81%	40.5%	20183	6047	44%	56.0%
Woodlake	2,332	2,824	492	54.4%	1268	49.12%	40.5%	1387	122	1%	24.8%
Unincorporated County	46,589	55,832	9243	51.2%	23868	47.16%	40.5%	26331	2526	18%	27.3%
Total	158,828	192,043	33214	40.5%	64260	40.44%	40.5%	77655	13735	100%	41.4%

Sources:

Column A: Control totals from TCAG Demographic Forecast

Column B: Control totals from TCAG Demographic Forecast

Column C: Column A subtracted from Column B

Column D: 2019 American Community Survey

Column E: Column A multiplied by Column D

Column F: Calculated using a trendline between Column D and Column G

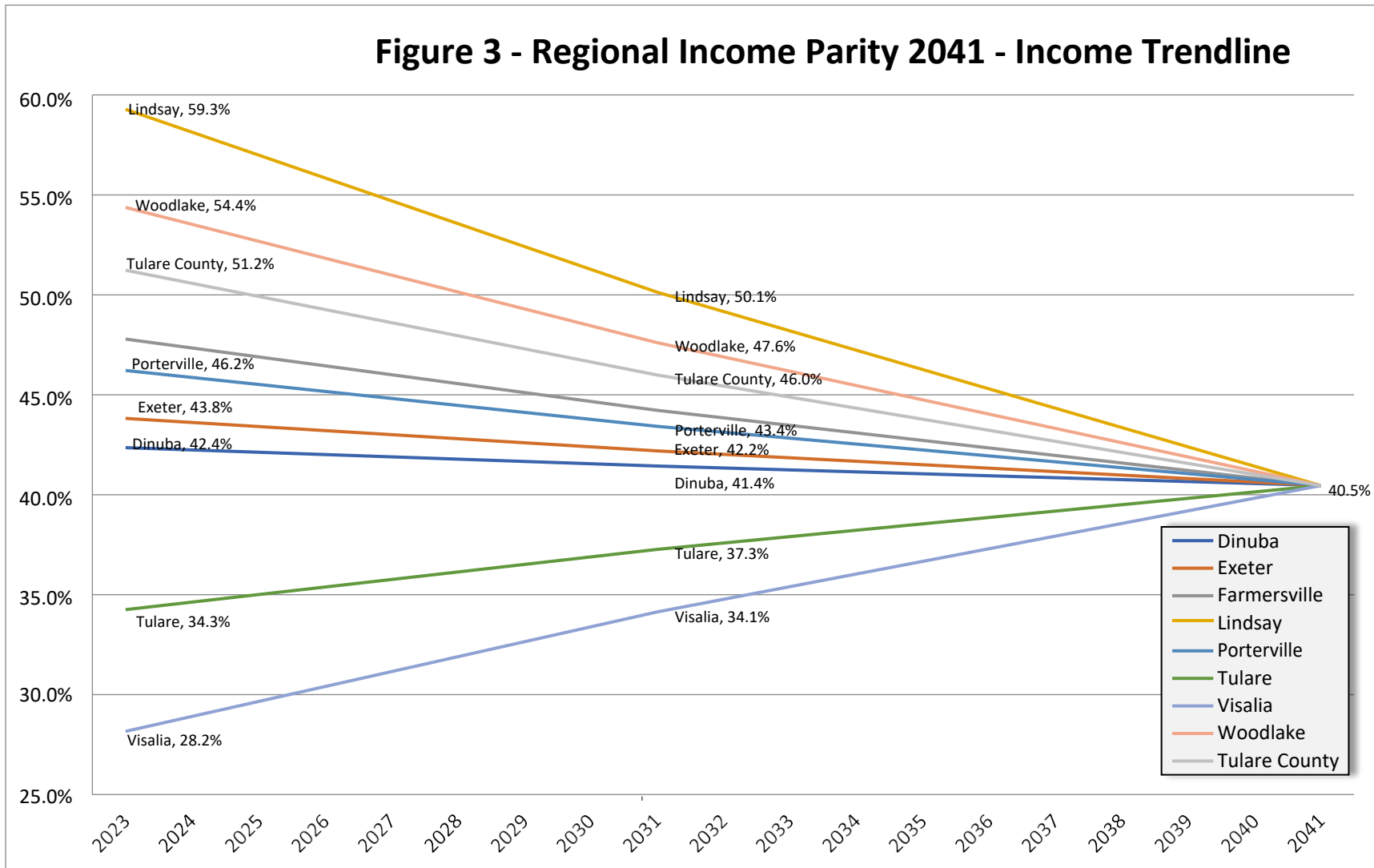
Column G: 2019 American Community Survey (existing countywide average)

Column H: Column B multiplied by Column F

Column I: Column E subtracted from Column H and then proportionally adjusted to add up to countywide total of 13,735

Column K: Column I divided by Column C

Figure 3 - Regional Income Parity 2041 - Income Trendline



Sources

2023 affordable percentages: 2019 ACS

2046 income parity percentages: 2019 ACS (existing countywide average)

2031 affordable percentages: Calculated using a trendline between 2023 affordable percentage and 2041 income parity percentage

Table 3 - Income Parity by 2041

	Total Housing Units June 2023	Total Housing Units December 2031	Net New Housing Units (2023-2031)	Existing Percentage of Affordable Units	2023 Affordable Units	2031 Intersection of 2046 Income Parity Trendline	Regional Parity (Current)	Total Affordable Units 2031 to Reach Income Parity	Final 2023 - 2031 Affordable Allocation		Percent Affordable Allocation
									Units	Percent of Total	
	A	B	C	D	E	F	G	H	I	J	K
Dinuba	7,181	8,769	1588	42.4%	3041	41.43%	40.5%	3633	606	4%	38.2%
Exeter	3,854	4,698	844	43.8%	1688	42.18%	40.5%	1982	300	2%	35.5%
Farmersville	2,957	3,611	654	47.8%	1413	44.23%	40.5%	1597	188	1%	28.7%
Lindsay	3,715	4,503	789	59.3%	2202	50.14%	40.5%	2258	56	0%	7.1%
Porterville	19,123	23,187	4064	46.2%	8837	43.42%	40.5%	10067	1260	9%	31.0%
Tulare	22,349	27,097	4749	34.3%	7655	37.27%	40.5%	10099	2504	18%	52.7%
Visalia	50,729	61,521	10791	28.2%	14286	34.13%	40.5%	21000	6883	50%	63.8%
Woodlake	2,332	2,824	492	54.4%	1268	47.61%	40.5%	1345	79	1%	16.1%
Unincorporated County	46,589	55,832	9243	51.2%	23868	46.00%	40.5%	25682	1859	14%	20.1%
Total	158,828	192,043	33214	40.5%	64260	40.44%	40.5%	77655	13735	100%	41.4%

Sources:

Column A: Control totals from TCAG Demographic Forecast

Column B: Control totals from TCAG Demographic Forecast

Column C: Column A subtracted from Column B

Column D: 2019 American Community Survey

Column E: Column A multiplied by Column D

Column F: Calculated using a trendline between Column D and Column G

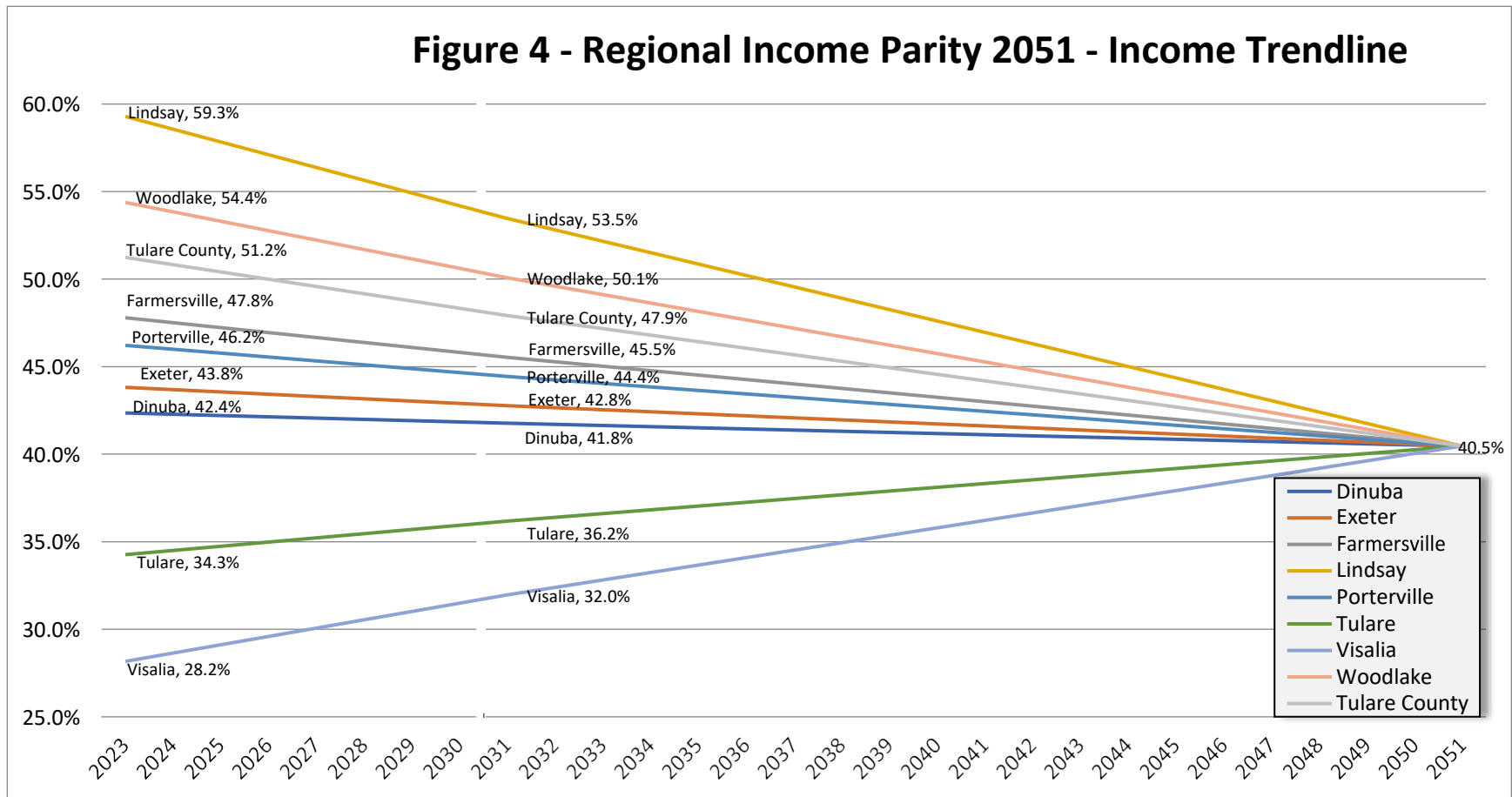
Column G: 2019 American Community Survey (existing countywide average)

Column H: Column B multiplied by Column F

Column I: Column E subtracted from Column H and then proportionally adjusted to add up to countywide total of 13,735

Column K: Column I divided by Column C

Figure 4 - Regional Income Parity 2051 - Income Trendline



Sources

2023 affordable percentages: 2019 ACS

2046 income parity percentages: 2019 ACS (existing countywide average)

2031 affordable percentages: Calculated using a trendline between 2023 affordable percentage and 2051 income parity percentage

Table 4: Base Methodology - Income Parity by 2051

	Total Housing Units June 2023	Total Housing Units December 2031	Net New Housing Units (2023-2031)	Existing Percentage of Affordable Units	2023 Affordable Units	2031 Intersection of 2046 Income Parity Trendline	Regional Parity (Current)	Total Affordable Units 2031 to Reach Income Parity	Final 2023 - 2031 Affordable Allocation		Percent Affordable Allocation
									Units	Percent of Total	
	A	B	C	D	E	F	G	H	I	J	K
Dinuba	7,181	8,769	1588	42.4%	3041	41.77%	40.5%	3663	637	5%	40.1%
Exeter	3,854	4,698	844	43.8%	1688	42.78%	40.5%	2010	329	2%	39.0%
Farmersville	2,957	3,611	654	47.8%	1413	45.52%	40.5%	1644	237	2%	36.2%
Lindsay	3,715	4,503	789	59.3%	2202	53.46%	40.5%	2408	211	2%	26.8%
Porterville	19,123	23,187	4064	46.2%	8837	44.43%	40.5%	10303	1504	11%	37.0%
Tulare	22,349	27,097	4749	34.3%	7655	36.17%	40.5%	9802	2202	16%	46.4%
Visalia	50,729	61,521	10791	28.2%	14286	31.96%	40.5%	19663	5515	40%	51.1%
Woodlake	2,332	2,824	492	54.4%	1268	50.07%	40.5%	1414	150	1%	30.5%
Unincorporated County	46,589	55,832	9243	51.2%	23868	47.90%	40.5%	26744	2950	21%	31.9%
Total	158,828	192,043	33214	40.5%	64260	40.44%	40.5%	77655	13735	100%	41.4%

Sources:

Column A: Control totals from TCAG Demographic Forecast

Column B: Control totals from TCAG Demographic Forecast

Column C: Column A subtracted from Column B

Column D: 2019 American Community Survey

Column E: Column A multiplied by Column D

Column F: Calculated using a trendline between Column D and Column G

Column G: 2019 American Community Survey (existing countywide average)

Column H: Column B multiplied by Column F

Column I: Column E subtracted from Column H and then proportionally adjusted to add up to countywide total of 13,735

Column K: Column I divided by Column C

TULARE COUNTY ASSOCIATION OF GOVERNMENTS
6TH CYCLE REGIONAL HOUSING NEEDS PLAN

TABLE 5 – Distribution by Income Category for Income Parity by 2046

Income Parity by 2046	Total RHNA (Net New Housing Units 2023-2031)	Methodology Affordable Allocation	Very Low less than 50%		Low 50% - 80%		Moderate 80% - 120%		Above Moderate greater than 120%	
Dinuba	1,588	625	387	24.4%	238	15.0%	268	16.9%	695	43.8%
Exeter	844	318	197	23.3%	121	14.3%	146	17.3%	380	45.0%
Farmersville	654	218	135	20.6%	83	12.7%	121	18.5%	315	48.2%
Lindsay	789	151	93	11.8%	58	7.4%	178	22.6%	460	58.3%
Porterville	4,064	1,409	872	21.5%	537	13.2%	739	18.2%	1,916	47.1%
Tulare	4,749	2,319	1,435	30.2%	884	18.6%	677	14.3%	1,753	36.9%
Visalia	10,791	6,047	3,741	34.7%	2,306	21.4%	1,321	12.2%	3,423	31.7%
Woodlake	492	122	75	15.2%	47	9.6%	103	20.9%	267	54.3%
Unincorporated County	9,243	2,526	1,563	16.9%	963	10.4%	1,870	20.2%	4,847	52.4%
Total	33,214	13,735	8,497	25.6%	5,238	15.8%	5,424	16.3%	14,055	42.3%

TABLE 6 – Distribution by Income Category for Income Parity by 2041

Income Parity by 2041	Total RHNA (Net New Housing Units 2023-2031)	Methodology Affordable Allocation	Very Low less than 50%		Low 50% - 80%		Moderate 80% - 120%		Above Moderate greater than 120%	
Dinuba	1,588	606	375	23.6%	231	14.5%	273	17.2%	709	44.6%
Exeter	844	300	186	22.0%	114	13.5%	151	17.9%	393	46.6%
Farmersville	654	188	116	17.7%	72	11.0%	130	19.9%	336	51.4%
Lindsay	789	56	35	4.4%	21	2.7%	204	25.9%	529	67.0%
Porterville	4,064	1,260	779	19.2%	481	11.8%	781	19.2%	2,023	49.8%
Tulare	4,749	2,504	1,549	32.6%	955	20.1%	625	13.2%	1,620	34.1%
Visalia	10,791	6,883	4,258	39.5%	2,625	24.3%	1,088	10.1%	2,820	26.1%
Woodlake	492	79	49	10.0%	30	6.1%	115	23.4%	298	60.6%
Unincorporated County	9,243	1,859	1,150	12.4%	709	7.7%	2,056	22.2%	5,328	57.6%
Total	33,214	13,735	8,497	25.6%	5,238	15.8%	5,424	16.3%	14,055	42.3%

TULARE COUNTY ASSOCIATION OF GOVERNMENTS
6TH CYCLE REGIONAL HOUSING NEEDS PLAN

TABLE 7 – Distribution by Income Category for Income Parity by 2051

Income Parity by 2051	Total RHNA (Net New Housing Units 2023-2031)	Methodology Affordable Allocation	Very Low less than 50%		Low 50% - 80%		Moderate 80% - 120%		Above 120%
			Count	Percentage	Count	Percentage	Count	Percentage	
Dinuba	1,588	637	394	24.8%	243	15.30%	265	16.7%	106
Exeter	844	329	204	24.2%	125	14.81%	143	16.9%	52
Farmersville	654	237	147	22.5%	90	13.76%	116	17.7%	84
Lindsay	789	211	131	16.6%	80	10.14%	161	20.4%	99
Porterville	4,064	1,504	930	22.9%	574	14.12%	713	17.5%	291
Tulare	4,749	2,202	1,362	28.7%	840	17.69%	709	14.9%	291
Visalia	10,791	5,515	3,412	31.6%	2,103	19.49%	1,469	13.6%	531
Woodlake	492	150	93	18.9%	57	11.59%	95	19.3%	55
Unincorporated County	9,243	2,950	1,825	19.7%	1,125	12.17%	1,752	19.0%	1,053
Total	33,214	13,735	8,497	25.6%	5,238	15.77%	5,424	16.3%	2,576

APPENDIX 2

Regional Housing Needs Determination Letter

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

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October 27, 2021

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Tulare County Association of Governments
210 N. Church St, Suite B
Visalia, CA 93291

Dear Theodore Smalley:

RE: Final Regional Housing Need Determination

This letter provides the Tulare County Association of Governments (TCAG) with its Final Regional Housing Need Determination. Pursuant to state housing element law (Government Code section 65584, et seq.), the Department of Housing and Community Development (HCD) is required to provide the determination of TCAG's existing and projected housing need. In assessing TCAG's regional housing need, HCD and TCAG staff completed a consultation process from September 2020 through August 2021 that included the methodology, data sources, and timeline for HCD's determination of the Regional Housing Need. To inform this process, HCD also consulted with Walter Schwarm and Doug Kuczynski of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **33,214** total units across four income categories. TCAG is to distribute the units amongst the region's local governments. Attachment 2 explains the methodology applied pursuant to Government Code section 65584.01. In determining TCAG's housing need, HCD considered all the information specified in state housing law (Government Code section 65584.01(c)).

TCAG is responsible for adopting a methodology for RHNA and RHNA Plan for the projection period beginning June 30, 2023 and ending December 31, 2031. Pursuant to Government Code section 65584(d), the methodology to prepare TCAG's RHNA plan must further the following objectives:

- (1) Increasing the housing supply and mix of housing types, tenure, and affordability.
- (2) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns
- (3) Promoting an improved intraregional relationship between jobs and housing
- (4) Balancing disproportionate household income distributions

(5) Affirmatively furthering fair housing

Pursuant to Government Code section 65584.04(d), to the extent data is available, TCAG shall include the factors listed in Government Code section 65584.04(d)(1-13) to develop its RHNA plan. Also, pursuant to Government Code section 65584.04(f), TCAG must explain in writing how each of these factors was incorporated into the RHNA plan methodology and how the methodology furthers the statutory objectives described above.

HCD encourages all TCAG's local governments to consider the many other affordable housing and community development resources available to local governments. HCD's programs can be found at <https://www.hcd.ca.gov/grants-funding/nofas.shtml>.

HCD commends TCAG leadership in fulfilling their important role in advancing the state's housing, transportation, and environmental goals. HCD looks forward to continued partnership with TCAG and member jurisdictions and assisting TCAG in planning efforts to accommodate the region's share of housing need.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Tom Brinkhuis, Senior Housing Policy Specialist at (916) 776-7707 or tom.brinkhuis@hcd.ca.gov.

Sincerely,



Tyrone Buckley
Assistant Deputy Director of Fair Housing

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION TCAG: June 30, 2023 through December 31, 2031

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	25.6%	8,497
Low	15.8%	5,238
Moderate	16.3%	5,424
Above-Moderate	42.3%	14,055
Total	100.0%	33,214
* Extremely-Low	12.7%	Included in Very-Low Category

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percents are derived based on Census/ACS reported household income brackets and county median income.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION: June 30, 2023 through December 31, 2031

Methodology

TCAG: PROJECTION PERIOD (8.5 years)		
HCD Determined Population, Households, & Housing Unit Need		
Reference No.	Step Taken to Calculate Regional Housing Need	Amount
1.	Population: December 31 (TCAG June 30 2031 projection adjusted + 6 months to December 31, 2031)	526,235
2.	<i>- Group Quarters Population: December 31 (TCAG June 30 2031 projection adjusted + 6 months to December 31, 2031)</i>	-5,635
3.	Household (HH) Population	520,600
4.	Projected Households	162,500
5.	+ Vacancy Adjustment (3.09%)	+5,027
6.	+ Overcrowding Adjustment (6.32%)	+10,275
7.	+ Replacement Adjustment (.6%)	+972
8.	<i>- Occupied Units (HHs) estimated June 30, 2023</i>	- 146,986
9.	+ Cost-burden Adjustment	+1,426
Total	6th Cycle Regional Housing Need Assessment (RHNA)	33,214

Detailed background data for this chart available upon request.

Explanation and Data Sources

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Gov. Code Section 65584.01, projections were extrapolated from TCAG projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons within the Household Population to form households at different rates based on American Community Survey (ACS) trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and region's current "for rent and sale" vacancy percentage to determine healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% vacancy rate and region's current vacancy rate (**1.91%**) is based on the 2015-2019 ACS data. For TCAG that difference is **3.09%**.
6. Overcrowding Adjustment: In regions where overcrowding is greater than the U.S. overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the regions overcrowding rate exceeds the U.S. overcrowding rate. Data is from the 2015-2019 ACS. For TCAG, the region's overcrowding rate (**9.67%**) is higher than the national average (3.35%), resulting in a **6.32%** adjustment.
7. Replacement Adjustment: HCD applies a replacement adjustment from between .5% and 5% to the total housing stock based on the current 10-year average of demolitions in the region's local government annual reports to Department of Finance

(DOF). For TCAG the 10-year average is **.6%**, therefore a **.6%** adjustment was applied.

8. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2023).
9. Cost Burden Adjustment: HCD applies an adjustment to the projected need by comparing the difference in cost-burden by income group for the region to the cost-burden by income group for the nation. The cost burden rate for lower income households in TCAG is **7.06%** higher than the cost burden rate for lower income households in the nation, resulting in a **906** unit increase to the lower income RHNA. The cost burden rate for moderate and above-moderate income households is **2.74%** higher than the cost burden rate for those households in the nation, resulting in a **520** unit increase to the moderate and above moderate RHNA.

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APPENDIX 3

Housing Opportunities and Constraints Survey and Summary

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6TH CYCLE RHNP OBJECTIVES AND FACTORS

The following questions are a follow up to the first data request that was sent in February. They seek to identify additional data and information that could inform the objectives that the Regional Housing Needs Allocation Plan (RHNP) is required to advance and/or the factors required for consideration when developing the RHNP methodology to the extent that sufficient data is available. These factors are listed below (including some which are new for the 6th cycle, identified in *italics*)

1. Existing and projected jobs and housing relationship, *particularly low-wage jobs and affordable housing*
2. Lack of capacity for sewer or water service due to decisions outside jurisdiction’s control
3. Availability of land suitable for urban development
4. Lands protected from urban development under existing federal or state programs
5. County policies to preserve prime agricultural land
6. Distribution of household growth in the RTP and opportunities to maximize use of transit and existing transportation infrastructure
7. Agreements to direct growth toward incorporated areas
8. Loss of deed-restricted affordable units
9. *Households paying more than 30 percent and more than 50 percent of their income in rent*
10. *The rate of overcrowding*
11. Housing needs of farmworkers
12. Housing needs generated by a university within the jurisdiction
13. Housing needs of individuals and families experiencing homelessness
14. *Units lost during a state of emergency that have yet to be replaced*
15. *The region’s GHG targets*

Please Note: None of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Government Code Section 65584.01.

HOUSING OPPORTUNITIES AND CONSTRAINTS

The following questions are aimed at understanding existing opportunities and constraints to meeting the local jurisdiction's housing needs.

1. Which of the following apply to your jurisdiction as either an opportunity or a constraint for development of additional housing by 2030?

You can indicate that something is both an opportunity and a constraint, or leave both boxes unchecked if the issue does not have an impact on housing development in your jurisdiction. Check all that apply

	Opportunity	Constraint
Water Capacity	<input type="checkbox"/>	<input type="checkbox"/>
Land Suitability	<input type="checkbox"/>	<input type="checkbox"/>
Lands protected by federal or state programs	<input type="checkbox"/>	<input type="checkbox"/>
County policies to preserve agricultural land	<input type="checkbox"/>	<input type="checkbox"/>
Availability of schools	<input type="checkbox"/>	<input type="checkbox"/>

Availability of parks	<input type="checkbox"/>	<input type="checkbox"/>
Availability of public or social services	<input type="checkbox"/>	<input type="checkbox"/>
Impact of climate change and natural hazards	<input type="checkbox"/>	<input type="checkbox"/>
Construction costs	<input type="checkbox"/>	<input type="checkbox"/>
Availability of construction workforce	<input type="checkbox"/>	<input type="checkbox"/>
Availability of surplus public land	<input type="checkbox"/>	<input type="checkbox"/>
Financing/funding for affordable housing	<input type="checkbox"/>	<input type="checkbox"/>
Weak market conditions	<input type="checkbox"/>	<input type="checkbox"/>
Project labor agreements	<input type="checkbox"/>	<input type="checkbox"/>
Utility connection fees	<input type="checkbox"/>	<input type="checkbox"/>

Please explain any opportunities and/or constraints listed above, and/or list any additional opportunities or constraints.

2. The location and type of housing can play a key role in meeting State and regional targets to reduce greenhouse gas (GHG) emissions. What land use policies or strategies has your jurisdiction implemented to minimize GHG emissions?

Check all that apply

<input type="checkbox"/>	Energy efficient standards in new construction or retrofits investment in transit expansion
<input type="checkbox"/>	Investment in maintaining or improving existing public transportation infrastructure
<input type="checkbox"/>	Investment in pedestrian, bicycle, and active transportation infrastructure
<input type="checkbox"/>	Land use changes that encourage a diversity of housing types and/or mixed-use development
<input type="checkbox"/>	Land use changes to allow greater density near transit
<input type="checkbox"/>	Incentives or policies to encourage housing development on vacant or underutilized land near transit
<input type="checkbox"/>	Implementing a Climate Action Plan
<input type="checkbox"/>	Other (please specify)

3. Does your jurisdiction collect data on homelessness within the jurisdiction and demand for transitional housing for those experiencing homelessness?

Yes

No

If so, please provide an estimate for the local homeless population and corresponding need for transitional housing?

4. What are the primary barriers or gaps your jurisdiction faces in meeting its RHNA goals for producing housing affordable to very low- and low-income households?

Check all that apply

<input type="checkbox"/>	Land use and zoning laws, such as minimum lot sizes, limits on multi-unit properties or minimum parking requirements
<input type="checkbox"/>	Local gap financing for affordable housing development
<input type="checkbox"/>	Local affordable housing development capacity
<input type="checkbox"/>	Availability of land
<input type="checkbox"/>	Community opposition
<input type="checkbox"/>	Other (please specify)

5. Over the course of a typical year, is there a need in your jurisdiction for housing for farmworkers?

- Yes
- No

If so, what is the total existing need for housing units for farmworkers in your jurisdiction, what portion of this need is currently unmet, and what is the data source for this information?

6. If your jurisdiction is not currently meeting the demand for farmworker housing, what are the main reasons for this unmet demand?

Check all that apply

<input type="checkbox"/>	Land use and zoning laws, such as minimum lot sizes, limits on multi-unit properties, or minimum parking requirements
<input type="checkbox"/>	Lack of gap financing for affordable housing development
<input type="checkbox"/>	Local affordable housing development capacity
<input type="checkbox"/>	Availability of land
<input type="checkbox"/>	Community opposition
<input type="checkbox"/>	Other (please specify)

QUESTIONS ABOUT FAIR HOUSING ISSUES, GOALS, AND ACTIONS

As a result of recent legislation, the RHNP and local Housing Elements are now required to “affirmatively further fair housing” [Government Code Section 65584(d)]. Per Government Code 65584(e), affirmatively furthering fair housing is defined as “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”

To comply with this requirement, TCAG is required to collect information on local jurisdictions' fair housing issues as well as strategies and actions for achieving fair housing goals.

7. Which of the following factors contribute to fair housing issues in your jurisdiction?

Check all that apply

<input type="checkbox"/>	Community opposition to proposed or existing developments
<input type="checkbox"/>	Displacement of residents due to increased rents or other economic pressures
<input type="checkbox"/>	Displacement of low-income residents and/or residents of color
<input type="checkbox"/>	Displacement of residents due to natural hazards, such as wildfires
<input type="checkbox"/>	Land use and zoning laws, such as minimum lot sizes, limits on multi-unit properties, or minimum parking requirements
<input type="checkbox"/>	Occupancy standards that limit the number of people in a unit
<input type="checkbox"/>	Location of affordable housing
<input type="checkbox"/>	The availability of affordable units in a range of sizes (especially larger units)
<input type="checkbox"/>	Foreclosure patterns
<input type="checkbox"/>	Deteriorated or abandoned properties
<input type="checkbox"/>	Lack of community revitalization strategies
<input type="checkbox"/>	Lack of private investments in low-income neighborhoods and/or communities of color, including services or amenities
<input type="checkbox"/>	Lack of public investments in low-income neighborhoods and/or communities of color, including services or amenities
<input type="checkbox"/>	Lack of regional cooperation
<input type="checkbox"/>	Access to financial services
<input type="checkbox"/>	Lending discrimination
<input type="checkbox"/>	Location of employers
<input type="checkbox"/>	Location of environmental health hazards, such as factories or agricultural production
<input type="checkbox"/>	Availability, frequency and reliability of public transit
<input type="checkbox"/>	Access to healthcare facilities and medical services
<input type="checkbox"/>	Access to grocery stores and healthy food options
<input type="checkbox"/>	Location of proficient schools and school assignment policies
<input type="checkbox"/>	Range of job opportunities available
<input type="checkbox"/>	The impacts of natural hazards such as wildfires
<input type="checkbox"/>	CEQA and the land use entitlement process
<input type="checkbox"/>	Other (please explain)

8. What actions has your jurisdiction taken to overcome historical patterns of segregation or remove barriers to equal housing opportunity?

Check all that apply

<input type="checkbox"/>	Land use changes to allow a greater variety of housing types
<input type="checkbox"/>	Dedicated local funding source for affordable housing development
<input type="checkbox"/>	Support for affordable housing development near transit
<input type="checkbox"/>	Support for the development of larger affordable housing units that can accommodate facilities (2 and 3-bedroom units, or larger)
<input type="checkbox"/>	Support for the development of affordable housing on publicly owned land
<input type="checkbox"/>	Exploring partnerships with Community Development Financial Institutions, large regional employers, and investors to add to the financial resources available for the creation and preservation of deed-restricted affordable housing units
<input type="checkbox"/>	Funding and supporting outreach services for homeowners and renters at risk of losing their homes and/or experience fair housing impediments
<input type="checkbox"/>	Provide financing support or other resources for low-income home buyers
<input type="checkbox"/>	Funding rehabilitation and accessibility improvements for low-income homeowners
<input type="checkbox"/>	Providing incentives for landlords to participate in the Housing Choice Voucher program
<input type="checkbox"/>	Streamlining entitlements processes and/or removing development fees for affordable housing construction
<input type="checkbox"/>	Inclusionary zoning or other programs to encourage mixed-income developments
<input type="checkbox"/>	Financial resources or other programs to support the preservation of existing affordable housing
<input type="checkbox"/>	Ensuring affirmative marketing of affordable housing is targeted to all segments of the community
<input type="checkbox"/>	Implementing policies and programs to minimize the displacement of low-income residents and residents of color
<input type="checkbox"/>	Improving access to high quality education opportunities for vulnerable students
<input type="checkbox"/>	Other (please specify)

9. Are there additional data points that are important to consider in developing the TCAG RHNP, particularly those measuring equity or opportunity in the context of furthering of environmental justice and Affirmatively Furthering Fair Housing?

- Yes
- No

If yes, please specify.

Thank you for taking the time to complete this survey. If you have any questions, please contact Steven Ingoldsby at singoldsby@tularecag.ca.gov

Summary: Housing Opportunities and Constraints

Question 1

	Total
Water Capacity	
Opportunity	2
Constraint	8
Land Suitability	
Opportunity	7
Constraint	0
Lands protected by federal or state programs	
Opportunity	1
Constraint	1
County policies to preserve agricultural land	
Opportunity	2
Constraint	4
Availability of schools	
Opportunity	5
Constraint	2
Availability of parks	
Opportunity	5
Constraint	3
Availability of public or social services	
Opportunity	3
Constraint	4
Impact of climate change and natural hazards	
Opportunity	0
Constraint	8
Construction costs	
Opportunity	1
Constraint	9
Availability of construction workforce	
Opportunity	3
Constraint	7
Availability of surplus public land	
Opportunity	2
Constraint	5
Financing/funding for affordable housing	
Opportunity	2
Constraint	6
Weak market conditions	
Opportunity	2
Constraint	2
Project labor agreements	
Opportunity	0
Constraint	3
Utility connection fees	
Opportunity	2
Constraint	3

Question 2

The location and type of housing can play a key role in meeting State and regional targets to reduce GHG. Which policies have been implemented?

	Total
Energy Efficient standards in new construction or retrofits investment in transit expansion	6
Investment in maintaining or improving existing public transportation infrastructure	5
Investment in pedestrian, bicycle, and active transportation infrastructure	9
Land use changes that encourage a diversity of housing types and/or mixed-used development	7
Land use changes to allow greater density near transit	4
Incentives or policies to encourage housing development on vacant or underutilized land near transit	4
Implementing a Climate Action Plan	3
Other	1

Other Reasons Listed - Creation of MU zones overlaying MU land uses,

Question 3

Does your jurisdiction collect data on homelessness within the jurisdiction and demand for transitional housing for those experiencing homelessness?

	Total
Yes	3
No	6
# of persons	

Question 4

What are the primary barriers or gaps your jurisdiction faces in meeting its RHNA goals for producing housing affordable to very low and low income households? (check all that apply)

	Total
Land use and zoning laws, such as minimum lot sizes, limits on multi-unit properties or minimum parking requirements	1
Local gap financing for affordable housing development	5
Local affordable housing development capacity	2
Availability of land	0
Community opposition	3
Other	3
Other Reasons Listed - Lack of developer interest (x3)	3

Question 5

Over the course of a typical year, is there a need in your jurisdiction for housing for farmworkers?

	Total
Yes	5
No	4

Question 6

If your jurisdiction is not currently meeting the demand for farmworker housing, what are the main reasons for this unmet demand? Total

Land use and zoning laws, such as minimum lot sizes, limits on multi-unit properties, or minimum parking requirements?	0
Lack of gap financing for affordable housing development	4
Local affordable housing development capacity	1
Availability of land	0
Community opposition	2
Other	3
Other Reasons Listed - Lack of interested developers(x3)	3

Questions about Fair Housing Issues, Goals, and Actions

Question 7

Which of the following factors contribute to fair housing issues in your jurisdiction?

	Total
Community opposition to proposed or existing developments	3
Displacement of residents due to increased rents or other economic pressures	2
Displacement of low-income residents and/or residents of color	1
Displacement of residents due to natural hazards, such as wildfires	0
Land use and zoning laws, such as minimum lot sizes, limits on multi-unit properties, or minimum parking requirements	0
Occupancy standards that limit the number of people in a unit	2
Location of affordable housing	1
The availability of affordable units in a range of sizes (especially larger units)	4
Foreclosure patterns	0
Deteriorated or abandoned properties	4
Lack of community revitalization strategies	0
Lack of private investments in low-income neighborhoods and/or communities of color, including services or amenities	6
Lack of public investments in low-income neighborhoods and/or communities of color, including services or amenities	1
Lack of regional cooperation	0
Access to financial services	4
Lending discrimination	0
Location of employers	2
Location of environmental health hazards, such as factories or agricultural production	1
Availability, frequency and reliability of public transit	0
Access to healthcare facilities and medical services	0
Access to grocery stores and healthy food options	2
Location of proficient schools and school assignment policies	0
Range of job opportunities available	2
The impact of natural hazards such as wildfires	0
CEQA and the land use entitlement process	3
Other	0

Question 8

What actions has your jurisdiction taken to overcome historical patterns of segregation or remove barriers to equal housing opportunity?

	Total
Land use changes to allow a greater variety of housing types	6
Dedicated local funding source for affordable housing development	2
Support for affordable housing development near transit	4

Support for the development of larger affordable housing units that can accommodate facilities (2 and 3-bedroom units, or larger)	5
Support for the development of affordable housing on publicly owned land	2
Exploring partnerships with Community Development Financial Institutions, large regional employers, and investors to add to the financial resources available for the creation and preservation of deed-restricted affordable housing units	0
Funding and supporting outreach services for homeowners and renters at risk of losing their homes and/or experience fair housing impediments	3
Provide financing support or other resources for low-income homebuyers	5
Funding rehabilitation and accessibility improvements for low-income homeowners	5
Providing incentives for landlords to participate in the Housing Choice Voucher program	1
Streamlining entitlements processes and/or removing development fees for affordable housing construction	4
Inclusionary zoning or other programs to encourage mixed-income developments	2
Financial resources or other programs to support the preservation of existing affordable housing	1
Ensuring affirmative marketing of affordable housing is targeted to all segments of the community	4
Implementing policies and programs to minimize the displacement of low-income residents and residents of color	0
Improving access to high quality education opportunities for vulnerable students	1
Other	

Question 9

Are there additional data points that are important to consider in developing the TCAG RHNP, particularly those measuring equity or opportunity in the context of furthering of environmental justice and Affirmatively Furthering Fair Housing?

	Total
Yes	0
No	9

APPENDIX 4

RHNA Methodology Consistency Determination Letter

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

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



March 24, 2022

Theodore Smalley, Executive Director
Tulare County Association of Governments
210 N. Church Street, Suite B
Visalia, CA 93291

Dear Theodore Smalley:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft Tulare County Association of Government's (TCAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodologies to determine whether a methodology furthers the statutory objectives described in Government Code Section 65584(d).

The draft TCAG RHNA methodology begins with the total regional determination provided by HCD of 33,214 units. The methodology then allocates total RHNA to each jurisdiction based on the growth forecast in the 2022 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). Next, TCAG creates an income parity trendline that establishes the rate of affordable housing growth needed to achieve an equal distribution of affordable units by 2046. The methodology then calculates the distribution of affordable units needed in 2031 – the end of the RHNA cycle – to achieve regional income parity by 2046. TCAG uses the 2031 distribution to determine each jurisdiction's lower income RHNA. This income parity adjustment results in jurisdictions with a lower proportion of existing lower income households receiving a higher share of lower income RHNA.

HCD has completed its review of the methodology and finds that the draft TCAG RHNA Methodology furthers the statutory objectives described in Government Code 65584(d).¹ TCAG's draft methodology directs lower income RHNA units into high resource areas, areas with higher housing costs, and areas with higher disparities between lower income jobs and affordable housing. The draft methodology's income parity adjustment also increases the number of lower income units going to higher income areas as a percentage of their total allocation.

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

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¹ While HCD finds this methodology furthers statutory objectives, applying this methodology to another region or cycle may not necessarily further the statutory objectives as housing conditions and circumstances may differ.

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1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.

On a per household basis, the methodology allocates more lower income RHNA to jurisdictions with more higher income households. Jurisdictions with higher housing costs – both in terms of home values and rent – also receive more lower income RHNA on a per household basis. Lastly, jurisdictions with higher percentages of owners receive a higher percentage of lower income RHNA relative to their total allocation.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The draft methodology encourages a more efficient development by using the RTP/SCS to determine each jurisdiction’s total allocation. Due to the income parity adjustment, jurisdictions with access to more jobs via a 30-minute commute receive more lower income RHNA per household and more total RHNA. Jurisdictions with access to more jobs via a 45-minute transit commute also receive more lower income RHNA per household and more total RHNA. Further, cities with lower annual VMT per household receive larger total RHNA allocations.

3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

The draft methodology allocates the most lower income RHNA, relative to household share, to jurisdictions with lower income jobs-housing fit ratios over 2 (two low-wage jobs for every affordable housing unit). Jurisdictions with lower income jobs-housing fit ratios between 1.5 and 2 receive slightly smaller lower income RHNA allocations relative to household share. The jurisdictions with healthy lower income jobs-housing fit ratios between 1.5 and 0.9 receive the smallest lower income RHNA allocations per household.

4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

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On average, cities with a larger existing share of lower income households receive smaller allocations of low- and very low-income units as a percentage of the total RHNA. For cities with higher shares of lower income households, the average lower income allocation is 30.9 percent of total RHNA. The average lower income allocation for cities with smaller percentages of lower income households is 52.4 percent.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Jurisdictions with more access to opportunity receive larger lower income allocations on a per household basis. Further, jurisdictions with higher percentages of low-resource and high-segregation areas receive smaller lower income allocations per household. More specifically, jurisdictions that are more than half low-resource and high-segregation areas receive a share of the lower income RHNA that is, on average, 67 percent of their share of households, compared to 110 percent for higher resourced jurisdictions.

HCD appreciates the active role of TCAG staff in providing data and input throughout the draft TCAG RHNA methodology development and review period. HCD especially thanks Steven Ingoldsby and Derek Winning for their significant efforts and assistance.

HCD looks forward to continuing our partnership with TCAG to help its member jurisdictions meet and exceed the planning and production of the region’s housing need. Support opportunities available for the TCAG region this cycle include, but are not limited to:

- Regional Early Action Planning (REAP) 2.0 – \$600 million state and federal investment to advance implementation of adopted regional plans. REAP 2.0 funding may be used for planning and implementation that accelerate infill housing development and reduce per capita vehicle miles traveled. <https://hcd.ca.gov/grants-funding/active-funding/reap2.shtml>.
- Prohousing Designation Program – Ongoing awards distributed over-the-counter to local jurisdictions with compliant Housing Elements and prohousing policies. Those awarded receive additional points or preference when applying to housing and non-housing funding programs including the Affordable Housing & Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and Transformative Climate Communities (TCC).

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- HCD also encourages all Tulare County local governments to consider the many other affordable housing and community development resources available to local governments, including the Permanent Local Housing Allocation program. HCD's programs can be found at <https://www.hcd.ca.gov/grants-funding/nofas.shtml>.

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Annelise Osterberg, Housing Policy Specialist at (916) 776-7540 or annelise.osterberg@hcd.ca.gov.

Sincerely,



Tyrone Buckley
Assistant Deputy Director of Fair Housing

APPENDIX 5

California Government Code Section 65584

TULARE COUNTY ASSOCIATION OF GOVERNMENTS
6TH CYCLE REGIONAL HOUSING NEEDS PLAN

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California Government Code Section 65584

(a)(1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588 , the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583 , the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) It is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, and reasonable actions should be taken by local and regional governments to ensure that future housing production meets, at a minimum, the regional housing need established for planning purposes. These actions shall include applicable reforms and incentives in Section 65582.1 .

(3) The Legislature finds and declares that insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals. In particular, when Californians seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants is released and puts in jeopardy the achievement of the state's climate goals, as established pursuant to Section 38566 of the Health and Safety Code , and clean air goals.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588 . The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588 . The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 .

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall further all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of

the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080 .

(3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.

(5) Affirmatively furthering fair housing.

(e) For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

(f) For purposes of this section, “household income levels” are as determined by the department as of the most recent American Community Survey pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code .

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code .

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code .

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code .

(g) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01 , 65584.02 , 65584.03 , 65584.04 , 65584.05 , 65584.06 , 65584.07 , or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).