



# **HOUSING ELEMENT UPDATE: 2021-2029 PLANNING PERIOD FAQ & FACT SHEET**



## **What is the Housing Element? And why is it being updated?**

The Housing Element is one of the City's 8 required Elements of the City's General Plan. The General Plan provides a framework for the management and growth of the City and guides future policy decisions. The Housing Element provides policies, programs, and actions that support housing growth across all income levels. State law requires that all cities update their Housing Element once every 8 years, and Housing Element planning periods are sometimes referred to as "cycles." The City's current Housing Element covers the planning period extending from 2014 to 2021, which is referred to as the "5<sup>th</sup> Housing Element cycle" in reference to the five required updates that have occurred since the comprehensive revision to State law in 1980. All cities in the Southern California Association of Governments ("SCAG") region are required to prepare a Housing Element update for the 6<sup>th</sup> planning cycle, which spans the 2021-2029 period. The SCAG region includes Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Imperial counties.

## **Housing Element Certification**

State law requires that the City's Housing Element be certified (approved) by the Department of Housing and California Development (HCD). A Housing Element is deemed certified when HCD has found that the Housing Element is in substantial compliance with State Law. Having a certified Housing Element avoids future penalties and/or fines on the City for noncompliance. In addition, having a certified Housing Element allows the City to be eligible for certain State assistance programs, grants and alternative funding sources. The Housing Element update process is considered complete once the State has certified the Housing Element.

The City's current Housing Element was adopted in 2013 and was deemed certified by HCD as fully compliant with State law.

## **What are the major issues that must be addressed in the Housing Element?**

There are two major issues that must be addressed in the Housing Element update: 1) The City must develop policies and programs that support housing growth across all income levels, and 2) ensure that the City's regulations accommodate the housing needs of special needs groups.

1. A key component in the 2021-2029 Housing Element Update is the 6<sup>th</sup> Cycle Regional Housing Needs Assessment ("RHNA"). Every city in California is required to plan for new housing to accommodate its share of the regional need. The RHNA is the process established in State law by which housing needs are determined for each jurisdiction.
2. Under State law, Housing Elements must include policies and regulations that support housing for persons with special needs, including but not limited to, the elderly, large families, female-headed households, households with a disabled person, farm workers, and the homeless.



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#### Is the Housing Element Update the same project as the Tiny Shelter Project?

No. The Housing Element Update Project is not to be confused with the Tiny Shelter Project related to homelessness in Arcadia. That is a separate process that will occur outside of the Housing Element Update. For more information on the Tiny Shelter Project or homelessness in general, please see [ArcadiaCA.gov/tinysshelters](http://ArcadiaCA.gov/tinysshelters).

#### What is considered affordable housing and who qualifies?

Most Federal and State housing assistance programs consider housing to be affordable when the total housing cost, including utilities, is no more than 30% of the household's total gross income. The commonly used income categories for affordable units, which are based on Median Family Income, are as follows:

##### LA County Income Categories

Income Category	% of Median Family Income	Annual Income Range*	
		Min.	Max.
<b>Very Low Income</b>	0 - 50% MFI	--	40,000
<b>Low Income</b>	51-80% MFI	40,001	64,000
<b>Moderate Income</b>	81 - 120% MFI	64,001	96,000
<b>Above Moderate Income</b>	>120% MFI	96,001	--

\*Each income category is defined as a range of household incomes that represents a percentage of the Median Family Income (MFI). The MFI for a family of four in Los Angeles County is \$80,000.

Each year HCD publishes income limits, based on household size, that correspond to the four income categories listed above. The following table provides the income limits for 1-8 person households for 2021, based on a Median Family Income of \$80,000:

Los Angeles County Income Limits 2021								
	1	2	3	4	5	6	7	8
Extremely Low	24,850	28,400	31,950	35,450	38,300	41,150	44,000	46,800
Very Low Income	41,400	47,300	53,200	59,100	63,850	68,600	73,300	78,050
Low Income*	66,250	75,700	85,150	94,600	102,200	109,750	117,350	124,900
<b>Median Income</b>	56,000	64,000	72,000	<b>80,000</b>	86,400	92,800	99,200	105,600
Moderate Income	67,200	76,800	86,400	96,000	103,700	111,350	119,050	126,700

\*In high-cost areas, such as Los Angeles County, HCD makes adjustments to the Low Income limits which may result in the low-income limit exceeding the countywide median income.



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#### What is the “RHNA?” and how is it determined?

A key component in the 2021-2029 Housing Element Update is the 6<sup>th</sup> Cycle Regional Housing Needs Assessment (“RHNA”). Every city in California is required to plan for new housing to accommodate its share of regional needs. The RHNA is the process established in State law by which housing needs are determined for each jurisdiction.

Prior to each planning cycle the total housing needs for each region of California is determined by Housing and Community Development (HCD) based upon economic and demographic trends, existing housing problems such as overcrowding and overpayment of rents/mortgages, and additional housing needed to ensure reasonable vacancy rates and to replace units lost due to demolition or natural disasters. The total housing need for the SCAG region is then distributed to cities and counties by SCAG.

On March 4, 2021, the Southern California Association of Governments (“SCAG”) released its final allocation of how many units are required for each jurisdiction’s total housing need at various income categories. Cities must update their Housing Elements to plan for these units. For Arcadia, 3,214 housing units are required for the 6<sup>th</sup> Cycle in the following income levels, as shown below:

#### **LA County Income Categories & City of Arcadia RHNA Distribution**

Income Category	% of Median Family Income	Annual Income Range*		RHNA Allocation (Housing Units)
		Min.	Max.	
<b>Very Low Income</b>	0 - 50% MFI	--	40,000	1,102 Units
<b>Low Income</b>	51-80% MFI	40,001	64,000	570 Units
<b>Moderate Income</b>	81 - 120% MFI	64,001	96,000	605 Units
<b>Above Moderate Income</b>	>120% MFI	96,001	--	937 Units
			<b>Total:</b>	<b>3,214 Units</b>

\*Each income category is defined as a range of household incomes that represents a percentage of the Median Family Income (MFI). The MFI for a family of four in Los Angeles County is \$80,000.

The following table shows the RHNA allocations for Arcadia, as compared to Los Angeles County and the SCAG Region. The SCAG Region is comprised of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties:

#### **Total RHNA Allocation**

Jurisdiction	Housing Unit Need
Arcadia	3,214
LA County	812,060
SCAG Region*	1,341,827

\*Counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino & Ventura



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#### **Is the City of Arcadia required to build the housing units required by the RHNA?**

The RHNA is not a construction mandate or quota; therefore, the City is not required to build the units required by the RHNA allocation. However, the City must adopt a Housing Element that includes regulatory and land use policies to be able to accommodate the housing need identified by SCAG/RHNA. The Housing Element is also required to identify potential sites for development, and/or propose a rezoning program to create the required capacity to accommodate the RHNA units. Once these policies and programs are in place, the expectation is that the private market will build the units over time.

#### **If the City of Arcadia is fully developed, why is the allocation so high?**

All cities must plan to accommodate their share of the region's housing need as identified by the RHNA. SCAG's methodology for determining the housing need for the 6<sup>th</sup> cycle included Existing Need and Projected Need. Previous planning cycle's housing needs were based solely on projected population growth. Therefore, the addition of Existing Need has increased housing need across all jurisdictions. Existing Need includes households that are currently overcrowded (defined as more than one person per room) and are overpaying for housing (defined as more than 30% of gross income). Another factor contributing the high allocation is the methodology used by SCAG for determining the 6<sup>th</sup> cycle RHNA allocation, which placed emphasis on the proximity of housing to jobs and public transit, and not on the availability of vacant land. Therefore, urban cities such as Arcadia, were assigned higher numbers.

#### **How can the public get involved in the Housing Element Update?**

Public participation is encouraged throughout the entire update process. The City has released a survey, available in both English and Chinese, that provides the opportunity for the community to inform the City which housing issues are important, and to assist the City in developing a plan that best reflects the community's housing needs. The survey is now available at [ArcadiaCA.gov/housing](https://ArcadiaCA.gov/housing).

All outreach opportunities, including public hearing information, will be posted on the City's Housing Element Update website at [ArcadiaCA.gov/housing](https://ArcadiaCA.gov/housing). Email [planning@ArcadiaCA.gov](mailto:planning@ArcadiaCA.gov) and request to be added to our mailing list. A timeline of update-related events is below:



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## HOUSING ELEMENT TIMELINE



**Contact Us**

### **PLANNING SERVICES**

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[ArcadiaCA.gov/housing](http://ArcadiaCA.gov/housing)