

AMENDED IN SENATE JUNE 20, 2018

AMENDED IN ASSEMBLY MAY 25, 2018

AMENDED IN ASSEMBLY APRIL 17, 2018

AMENDED IN ASSEMBLY MARCH 19, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1771

Introduced by Assembly Member Bloom

January 4, 2018

An act to amend Sections 65584, 65584.04, and 65584.05 of, and to add *Section* 65584.08 to, the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1771, as amended, Bloom. Planning and zoning: regional housing needs assessment.

(1) The Planning and Zoning Law requires counties and cities to adopt a comprehensive, long-term plan for the physical development of the county or city and certain land outside its boundaries that includes, among other specified mandatory elements, a housing element. That law, for the fourth and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region in accordance with specified requirements. That law requires the appropriate council of governments, or, for cities and counties without a council of governments, the department, to adopt a final regional housing need allocation plan that allocates a share of the regional housing need to each city, county, or city and county and is consistent with specified objectives, including that the plan increase the housing

supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner. Existing law defines the term “household income levels” for purposes of these provisions.

This bill would revise the objectives required to be addressed in the regional housing needs allocation plan and additionally require the plan to include an objective to increase access to areas of high opportunity for lower-income residents, while avoiding displacement and affirmatively furthering fair housing. The bill would also define the term “areas of high opportunity for lower-income residents” for purposes of these provisions.

(2) Existing law requires actions by local agencies related to the regional housing needs allocation plan to be consistent with those specified objectives.

The bill would instead require various actions by local agencies related to the regional housing needs allocation plan to further the objectives required to be addressed by the plan.

(3) Existing law requires the council of governments, or delegate subregion as applicable, to develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or subregion, as applicable, that is consistent with specified objectives. ~~Existing law requires the council of governments, or delegate subregion, as applicable, to conduct at least one public hearing on the proposed methodology.~~ Existing law requires the council of governments or delegate subregion as applicable, to provide the proposed methodology, along with any relevant underlying data and assumptions, an explanation of how information about local government conditions gathered has been used to develop the proposed methodology, and how each of the factors required to be addressed by the regional housing needs allocation plan is incorporated into the methodology, to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology.

~~This bill would require the council of governments or delegate subregion as applicable, to hold at least two public hearings. The bill would also~~ require the council of governments or delegate subregion as applicable, to additionally provide, along with the proposed methodology, an explanation of how the proposed methodology furthers the objectives required to be addressed by the regional housing needs allocation plan. The bill would authorize members of the public to make

an electronic request for the proposed methodology and accompanying ~~materials~~. ~~materials, and would require the information to be published on the council of governments' or delegate subregion's Internet Web site.~~

(4) Existing law requires each council of governments or delegate subregion as applicable, to include specified factors to develop the methodology that allocates regional housing needs, including, among others, each member jurisdiction's existing and projected jobs and housing relationship, the market demand for housing, and high housing cost burdens, as specified.

This bill would *require each council of governments or delegate subregion to develop the proposed methodology in consultation with the department. The bill would* revise these factors, and additionally require the council of governments or delegate subregion, as applicable, to consider the rate of ~~overcrowding, the existing and projected demand for housing at various income levels, overcrowding~~ and the percentage of existing households at each specified income ~~levels~~ *level* that are paying more than 30% and more than 50% of their income in rent.

(5) Existing law requires the council of governments, or delegate subregions, as applicable, to identify any existing local, regional, or state incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation, as specified.

This bill would repeal this provision.

(6) Existing law requires the council of governments, or delegate subregion, as applicable, following the 60-day public comment period, to adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregions, as applicable, and to the department.

This bill would instead require the council of governments, or delegate subregion, as applicable, following the public comment period, to *publish a draft allocation methodology on its Internet Web site and submit the draft allocation methodology to the department. The bill would require the department to determine whether the methodology furthers the objectives described above.—The* *If the department determines that the methodology does not further the objectives, the bill would require the council of governments, or delegate subregion, as applicable, following the receipt of the department's determination, to make any necessary changes and adopt the final regional, or subregional, housing need allocation methodology, as specified. to take*

specified actions with respect to the housing need allocation methodology, including providing notice to the jurisdictions or applicable subregions and publishing the adopted allocation methodology on its Internet Web site.

(7) Existing law requires each council of governments or delegate subregion, as applicable, to distribute a draft allocation of regional housing needs to each local government within the region or subregion, as provided, at least 1.5 years prior to the scheduled revision of its housing element. Existing law authorizes a local government to request from the council of governments or delegate subregion, as applicable, a revision of its share of the regional housing need, in accordance with specified factors, within 60 days following receipt of the draft allocation. Under existing law, if the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government may appeal its draft allocation based on specified criteria.

This bill would ~~additionally~~ *instead* authorize a local government within the region or the delegate subregion, as applicable, or the department to, within 45 days of receipt of the draft allocation, appeal to the council of governments or the delegate subregion for a revision of the share of the regional housing need proposed to be allocated to one or more local governments. The bill would specify criteria for the appeal and would require the local council of governments or the delegate subregion, as applicable, to notify all other local governments of all appeals, as specified. The bill would require the council of governments or the delegate region, as applicable, to hold a public hearing and consider comments received regarding the appeal. The bill would then require the council of governments or the delegate subregion, as applicable, to make a final determination on the appeal and issue a final allocation plan, as specified.

(8) By adding to the duties of councils of governments and delegate subregions with respect to the distribution of regional housing need, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 65584 of the Government Code is
2 amended to read:

3 65584. (a) (1) For the fourth and subsequent revisions of the
4 housing element pursuant to Section 65588, the department shall
5 determine the existing and projected need for housing for each
6 region pursuant to this article. For purposes of subdivision (a) of
7 Section 65583, the share of a city or county of the regional housing
8 need shall include that share of the housing need of persons at all
9 income levels within the area significantly affected by the general
10 plan of the city or county.

11 (2) While it is the intent of the Legislature that cities, counties,
12 and cities and counties should undertake all necessary actions to
13 encourage, promote, and facilitate the development of housing to
14 accommodate the entire regional housing need, it is recognized,
15 however, that future housing production may not equal the regional
16 housing need established for planning purposes.

17 (3) The Legislature finds and declares that insufficient housing
18 in job centers hinders the state's environmental quality and runs
19 counter to the state's environmental goals. In particular, when
20 Californians seeking affordable housing are forced to drive longer
21 distances to work, an increased amount of greenhouse gases and
22 other pollutants is released and puts in jeopardy the achievement
23 of the state's climate goals, as established pursuant to Section
24 38566 of the Health and Safety Code, and clean air goals.

25 (b) The department, in consultation with each council of
26 governments, shall determine each region's existing and projected
27 housing need pursuant to Section 65584.01 at least two years prior
28 to the scheduled revision required pursuant to Section 65588. The
29 appropriate council of governments, or for cities and counties
30 without a council of governments, the department, shall adopt a
31 final regional housing need plan that allocates a share of the
32 regional housing need to each city, county, or city and county at
33 least one year prior to the scheduled revision for the region required
34 by Section 65588. The allocation plan prepared by a council of
35 governments shall be prepared pursuant to Sections 65584.04 and
36 65584.05.

37 (c) Notwithstanding any other provision of law, the due dates
38 for the determinations of the department or for the council of

1 governments, respectively, regarding the regional housing need
2 may be extended by the department by not more than 60 days if
3 the extension will enable access to more recent critical population
4 or housing data from a pending or recent release of the United
5 States Census Bureau or the Department of Finance. If the due
6 date for the determination of the department or the council of
7 governments is extended for this reason, the department shall
8 extend the corresponding housing element revision deadline
9 pursuant to Section 65588 by not more than 60 days.

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

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

17 (2) Promoting infill development and socioeconomic equity,
18 the protection of environmental and agricultural resources, and
19 the encouragement of efficient development patterns.

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

24 (4) Allocating a lower proportion of housing need to an income
25 category when a jurisdiction already has a disproportionately high
26 share of households in that income category, and allocating a higher
27 proportion of housing need to an income category when a
28 jurisdiction already has a disproportionately low share of
29 households in that income category, as compared to the countywide
30 distribution of households in that category from the most recent
31 decennial United States census.

32 (5) Increasing access to areas of high opportunity for
33 lower-income residents, avoiding displacement and affirmatively
34 furthering fair housing.

35 (e) For purposes of this section, “areas of high opportunity for
36 lower-income residents” means areas that provide pathways to
37 better lives, including through health, education, and employment.

38 (f) For purposes of this section, “household income levels” are
39 as determined by the department as of the most recent decennial
40 census pursuant to the following code sections:

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

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

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

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

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

17 SEC. 2. Section 65584.04 of the Government Code is amended
18 to read:

19 65584.04. (a) At least two years prior to a scheduled revision
20 required by Section 65588, each council of governments, or
21 delegate subregion as applicable, shall ~~develop~~ *develop, in*
22 *consultation with the department*, a proposed methodology for
23 distributing the existing and projected regional housing need to
24 cities, counties, and cities and counties within the region or within
25 the subregion, where applicable pursuant to this section. The
26 methodology shall further the objectives listed in subdivision (d)
27 of Section 65584.

28 (b) (1) No more than six months prior to the development of a
29 proposed methodology for distributing the existing and projected
30 housing need, each council of governments shall survey each of
31 its member jurisdictions to request, at a minimum, information
32 regarding the factors listed in subdivision (d) that will allow the
33 development of a methodology based upon the factors established
34 in subdivision (d).

35 (2) The council of governments shall seek to obtain the
36 information in a manner and format that is comparable throughout
37 the region and utilize readily available data to the extent possible.

38 (3) The information provided by a local government pursuant
39 to this section shall be used, to the extent possible, by the council
40 of governments, or delegate subregion as applicable, as source

1 information for the methodology developed pursuant to this section.
2 The survey shall state that none of the information received may
3 be used as a basis for reducing the total housing need established
4 for the region pursuant to Section 65584.01.

5 (4) If the council of governments fails to conduct a survey
6 pursuant to this subdivision, a city, county, or city and county may
7 submit information related to the items listed in subdivision (d)
8 prior to the public comment period provided for in subdivision
9 (c).

10 (c) Public participation and access shall be required in the
11 development of the methodology and in the process of drafting
12 and adoption of the allocation of the regional housing needs.
13 Participation by organizations other than local jurisdictions and
14 councils of governments shall be solicited in a diligent effort to
15 achieve public participation of all economic segments of the
16 community. The proposed methodology, along with any relevant
17 underlying data and assumptions, an explanation of how
18 information about local government conditions gathered pursuant
19 to subdivision (b) has been used to develop the proposed
20 methodology, how each of the factors listed in subdivision (d) is
21 incorporated into the methodology, and how the proposed
22 methodology furthers the objectives listed in subdivision (d) of
23 Section 65584, shall be distributed to all cities, counties, any
24 subregions, and members of the public who have made a written
25 or electronic request for the proposed ~~methodology~~; *methodology*
26 *and published on the council of governments', or delegate*
27 *subregion's, Internet Web site.* The council of governments, or
28 delegate subregion, as applicable, shall conduct at least ~~two~~ *one*
29 ~~public hearings~~ *hearing* to receive oral and written comments on
30 the proposed methodology.

31 (d) To the extent that sufficient data is available from local
32 governments pursuant to subdivision (b) or other sources, each
33 council of governments, or delegate subregion as applicable, shall
34 include the following factors to develop the methodology that
35 allocates regional housing needs:

36 (1) Each member jurisdiction's existing and projected jobs and
37 housing relationship. This shall include data on the number of
38 low-wage jobs within the jurisdiction and how many housing units
39 within the jurisdiction are affordable to workers at those wage
40 levels, as well as how many jobs were added and at what wage

1 levels compared to how many housing units were added and at
2 what income levels in the last planning period.

3 (2) The opportunities and constraints to development of
4 additional housing in each member jurisdiction, including all of
5 the following:

6 (A) Lack of capacity for sewer or water service due to federal
7 or state laws, regulations or regulatory actions, or supply and
8 distribution decisions made by a sewer or water service provider
9 other than the local jurisdiction that preclude the jurisdiction from
10 providing necessary infrastructure for additional development
11 during the planning period.

12 (B) The availability of land suitable for urban development or
13 for conversion to residential use, the availability of underutilized
14 land, and opportunities for infill development and increased
15 residential densities. The council of governments may not limit
16 its consideration of suitable housing sites or land suitable for urban
17 development to existing zoning ordinances and land use restrictions
18 of a locality, but shall consider the potential for increased
19 residential development under alternative zoning ordinances and
20 land use restrictions. The determination of available land suitable
21 for urban development may exclude lands where the Federal
22 Emergency Management Agency (FEMA) or the Department of
23 Water Resources has determined that the flood management
24 infrastructure designed to protect that land is not adequate to avoid
25 the risk of flooding.

26 (C) Lands preserved or protected from urban development under
27 existing federal or state programs, or both, designed to protect
28 open space, farmland, environmental habitats, and natural resources
29 on a long-term basis.

30 (D) County policies to preserve prime agricultural land, as
31 defined pursuant to Section 56064, within an unincorporated area.

32 (3) The distribution of household growth assumed for purposes
33 of a comparable period of regional transportation plans and
34 opportunities to maximize the use of public transportation and
35 existing transportation infrastructure.

36 ~~(4) The existing and projected demand for housing at each of~~
37 ~~the income levels listed in subdivision (c) of Section 65584.~~

38 ~~(5)~~

39 (4) Agreements between a county and cities in a county to direct
40 growth toward incorporated areas of the county.

- 1 ~~(6)~~
- 2 (5) The loss of units contained in assisted housing developments,
- 3 as defined in paragraph (9) of subdivision (a) of Section 65583,
- 4 that changed to non-low-income use through mortgage prepayment,
- 5 subsidy contract expirations, or termination of use restrictions.
- 6 ~~(7)~~
- 7 (6) The percentage of existing households at each of the income
- 8 levels listed in subdivision (e) of Section 65584 that are paying
- 9 more than 30 percent and more than 50 percent of their income in
- 10 rent.
- 11 ~~(8)~~
- 12 (7) The rate of overcrowding.
- 13 ~~(9)~~
- 14 (8) The housing needs of farmworkers.
- 15 ~~(10)~~
- 16 (9) The housing needs generated by the presence of a private
- 17 university or a campus of the California State University or the
- 18 University of California within any member jurisdiction.
- 19 ~~(11)~~
- 20 (10) Any other factors adopted by the council of governments,
- 21 provided that the council of governments specifies which of the
- 22 objectives listed in subdivision (d) of Section ~~65594~~ 65584 that
- 23 each additional factor is necessary to further. *The council of*
- 24 *governments may include additional factors unrelated to furthering*
- 25 *the objectives listed in subdivision (d) of Section 65584 so long as*
- 26 *the additional factors do not undermine the objectives and the*
- 27 *council of governments makes a finding that the factor is necessary*
- 28 *to address specific health and safety conditions.*
- 29 (e) The council of governments, or delegate subregion, as
- 30 applicable, shall explain in writing how each of the factors
- 31 described in subdivision (d) was incorporated into the methodology
- 32 and how the methodology furthers the objectives listed in
- 33 subdivision (d) of Section 65584. The methodology may include
- 34 numerical weighting. *This information shall be posted on the*
- 35 *council of governments', or delegate subregion's, Internet Web*
- 36 *site.*
- 37 (f) Any ordinance, policy, voter-approved measure, or standard
- 38 of a city or county that directly or indirectly limits the number of
- 39 residential building permits issued by a city or county shall not be

1 a justification for a determination or a reduction in the share of a
2 city or county of the regional housing need.

3 (g) Following the conclusion of the *60-day* public comment
4 period described in subdivision (c) on the proposed allocation
5 methodology, and after making any revisions deemed appropriate
6 by the council of governments, or delegate subregion, as applicable,
7 as a result of comments received during the public comment period,
8 *and as a result of consultation with the department*, each council
9 of governments, or delegate subregion, as applicable, shall *publish*
10 *a draft allocation methodology on its Internet Web site and submit*
11 ~~the draft allocation methodology methodology, along with the~~
12 ~~information required pursuant to subdivision (e), to the department.~~
13 Within 60 days, the department shall determine whether or not the
14 methodology furthers, and does not undermine, the objectives
15 listed in subdivision (d) of Section 65584.

16 ~~(h) Following the receipt of the department's determination, the~~
17 ~~council of governments or delegate subregion, as applicable, shall~~
18 ~~make any necessary changes and adopt a final regional, or~~
19 ~~subregional, housing need allocation methodology and provide~~
20 ~~notice of the adoption of the methodology to the jurisdictions~~
21 ~~within the region, or delegate subregion as applicable, and to the~~
22 ~~department.~~

23 *(h) If the department determines that the methodology is not*
24 *consistent with subdivision (d) of Section 65584, the council of*
25 *governments, or delegate subregion, as applicable, shall take one*
26 *of the following actions:*

27 *(1) Revise the methodology in accordance with the department's*
28 *findings and adopt a final regional, or subregional, housing need*
29 *allocation methodology.*

30 *(2) Adopt a final regional, or subregional, housing need*
31 *allocation methodology without revisions and include within its*
32 *resolution of adoption written findings as to why the council of*
33 *governments, or delegate subregion, believes that the methodology*
34 *is consistent with subdivision (d) of Section 65584 despite the*
35 *findings of the department.*

36 *(i) Upon either action pursuant to subdivision (h), the council*
37 *of governments, or delegate subregion, shall provide notice of the*
38 *adoption of the methodology to the jurisdictions within the region,*
39 *or delegate subregion, as applicable, and to the department, and*

1 shall publish the adopted allocation methodology on its Internet
2 Web site.

3 (i)

4 (j) (1) It is the intent of the Legislature that housing planning
5 be coordinated and integrated with the regional transportation plan.
6 To achieve this goal, the allocation plan shall allocate housing
7 units within the region consistent with the development pattern
8 included in the sustainable communities strategy. ~~Nothing in this~~
9 ~~consistency requirement shall limit the application of subparagraph~~
10 ~~(B) of paragraph (2) of subdivision (d).~~

11 (2) The final allocation plan shall ensure that the total regional
12 housing need, by income category, as determined under Section
13 65584, is maintained, and that each jurisdiction in the region
14 receive an allocation of units for low- and very low income
15 households.

16 (3) The resolution approving the final housing need allocation
17 plan shall demonstrate that the plan is consistent with the
18 sustainable communities strategy in the regional transportation
19 plan and furthers the objectives listed in subdivision (d) of Section
20 65584.

21 SEC. 3. Section 65584.05 of the Government Code is amended
22 to read:

23 65584.05. (a) At least one and one-half years prior to the
24 scheduled revision required by Section 65588, each council of
25 governments and delegate subregion, as applicable, shall distribute
26 a draft allocation of regional housing needs to each local
27 government in the region or subregion, where applicable, based
28 on the methodology adopted pursuant to Section 65584.04. The
29 draft allocation shall include the underlying data and methodology
30 on which the allocation is based, and a statement as to how it
31 furthers the objectives listed in subdivision (d) of Section 65584.
32 It is the intent of the Legislature that the draft allocation should
33 be distributed prior to the completion of the update of the
34 applicable regional transportation plan. The draft allocation shall
35 distribute to localities and subregions, if any, within the region the
36 entire regional housing need determined pursuant to Section
37 65584.01 or within subregions, as applicable, the subregion’s entire
38 share of the regional housing need determined pursuant to Section
39 65584.03.

1 (b) Within 45 days following receipt of the draft allocation, a
2 local government within the region or the delegate subregion, as
3 applicable, or the department may appeal to the council of
4 governments or the delegate subregion for a revision of the share
5 of the regional housing need proposed to be allocated to one or
6 more local governments. Appeals shall be based upon comparable
7 data available for all affected jurisdictions and accepted planning
8 methodology, and supported by adequate documentation, and shall
9 include a statement as to ~~how~~ *why* the revision is necessary to
10 further the intent of the objectives listed in subdivision (d) of
11 Section 65584. An appeal pursuant to this subdivision shall be
12 consistent with, and not to the detriment of, the development
13 pattern in an applicable sustainable communities strategy developed
14 pursuant to paragraph (2) of subdivision (b) of Section 65080.
15 Appeals shall be limited to either or both of the following criteria:

16 (1) The council of governments or delegate subregion, as
17 applicable, failed to adequately consider the information submitted
18 pursuant to subdivision (b) of Section 65584.04, or a significant
19 and unforeseen change in circumstances has occurred in the local
20 jurisdiction or jurisdictions that merits a revision of the information
21 submitted pursuant to that subdivision.

22 (2) The council of governments or delegate subregion, as
23 applicable, failed to determine the share of the regional housing
24 need in accordance with the information described in, and the
25 methodology established pursuant to, Section 65584.04, and in a
26 manner that furthers, and does not undermine, the intent of the
27 objectives listed in subdivision (d) of Section 65584.

28 (c) At the close of the period for filing appeals pursuant to
29 subdivision (b), the council of governments or delegate subregion,
30 as applicable, shall notify all other local governments within the
31 region or delegate subregion and the department of all appeals and
32 shall make all materials submitted in support of each appeal
33 available on a publicly available Internet Web site. Local
34 governments and the department may, within 45 days, comment
35 on one or more appeals. If no appeals are filed, the draft allocation
36 shall be issued as the proposed final allocation plan pursuant to
37 paragraph (2) of subdivision (e).

38 (d) No later than 30 days after the close of the comment period,
39 and after providing all local governments within the region or
40 delegate subregion, as applicable, at least 21 days prior notice, the

1 council of governments or delegate subregion shall conduct one
2 public hearing to consider all appeals filed pursuant to subdivision
3 (b) and all comments received pursuant to subdivision (c).

4 (e) No later than 45 days after the public hearing pursuant to
5 subdivision (d), the council of governments or delegate subregion,
6 as applicable, shall do both of the following:

7 (1) Make a final determination that either accepts, rejects, or
8 modifies each appeal for a revised share filed pursuant to
9 subdivision (b). Final determinations shall be based upon the
10 information and methodology described in Section 65584.04 and
11 whether the revision is necessary to further the objectives listed
12 in subdivision (d) of Section 65584. The final determination shall
13 be in writing and shall include written findings as to how the
14 determination is consistent with this article. The final determination
15 on an appeal may require the council of governments or delegate
16 subregion, as applicable, to adjust the share of the regional housing
17 need allocated to one or more local governments that are not the
18 subject of an appeal.

19 (2) Issue a proposed final allocation plan.

20 (f) In the proposed final allocation plan, the council of
21 governments or delegate subregion, as applicable, shall adjust
22 allocations to local governments based upon the results of the
23 appeals process. If the adjustments total 7 percent or less of the
24 regional housing need determined pursuant to Section 65584.01,
25 or, as applicable, total 7 percent or less of the subregion's share
26 of the regional housing need as determined pursuant to Section
27 65584.03, then the council of governments or delegate subregion,
28 as applicable, shall distribute the adjustments proportionally to all
29 local governments. If the adjustments total more than 7 percent of
30 the regional housing need, then the council of governments or
31 delegate subregion, as applicable, shall develop a methodology to
32 distribute the amount greater than the 7 percent to local
33 governments. In no event shall the total distribution of housing
34 need equal less than the regional housing need, as determined
35 pursuant to Section 65584.01, nor shall the subregional distribution
36 of housing need equal less than its share of the regional housing
37 need as determined pursuant to Section 65584.03.

38 (g) Within 45 days after the issuance of the proposed final
39 allocation plan by the council of governments and each delegate
40 subregion, as applicable, the council of governments shall hold a

1 public hearing to adopt a final allocation plan. To the extent that
2 the final allocation plan fully allocates the regional share of
3 statewide housing need, as determined pursuant to Section
4 65584.01 and has taken into account all appeals, the council of
5 governments shall have final authority to determine the distribution
6 of the region's existing and projected housing need as determined
7 pursuant to Section 65584.01. The council of governments shall
8 submit its final allocation plan to the department within three days
9 of adoption. Within 30 days after the department's receipt of the
10 final allocation plan adopted by the council of governments, the
11 department shall determine whether or not the final allocation plan
12 is consistent with the existing and projected housing need for the
13 region, as determined pursuant to Section 65584.01. The
14 department may revise the determination of the council of
15 governments if necessary to obtain this consistency.

16 (h) Any authority of the council of governments to review and
17 revise the share of a city or county of the regional housing need
18 under this section shall not constitute authority to revise, approve,
19 or disapprove the manner in which the share of the city or county
20 of the regional housing need is implemented through its housing
21 program.

22 (i) Any time period in subdivision (d) or (e) may be extended
23 by a council of governments or delegate subregion, as applicable,
24 for up to 30 days.

25 SEC. 4. Section 65584.08 is added to the Government Code,
26 to read:

27 65584.08. Nothing in this article shall be read to change a
28 jurisdiction's obligations, discretion, or flexibility under existing
29 law related to the preparation and adoption of a housing element,
30 nor shall it be read to compel a jurisdiction to take any one
31 particular action that is not already required by law or prohibit a
32 jurisdiction from taking any one particular action that is not already
33 prohibited by law in implementing a housing element.

34 SEC. 5. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 a local agency or school district has the authority to levy service
37 charges, fees, or assessments sufficient to pay for the program or

- 1 level of service mandated by this act, within the meaning of Section
- 2 17556 of the Government Code.

O