

WHAT HAPPENS IF THE CITY DOES NOT ADEQUATELY PLAN FOR THE RHNA?

State law requires review and certification of the City's Housing Element by the California Department of Housing and Community Development (HCD). Part of HCD's review will determine if the City is adequately planning for the RHNA.

The potential penalties for not adequately planning for the RHNA and not having a certified Housing Element can be significant, and may include any of the following:

- Litigation that may be brought against the City by the State Attorney General;
- Litigation by outside entities;
- Exposing the City to court fines starting at \$10,000-\$600,000 per month;
- Court-mandated approval of certain housing projects;
- Court-orders to strip the City Council of land use authority;
- Court-ordered mandatory rezoning of land within the City;
- Suspension of the City's authority to issue building permits for new construction;
- The City may be ineligible for certain types of funding (like the Local Early Action Planning Grant that allowed the City to hire a consultant to prepare the Housing Element Update and associated Safety Element Update); and
- Placement of the City in a shorter four-year housing element update cycle instead of the current eight-year cycle – among other penalties.

Any of these penalties would be costly for the City and would require the use of taxpayer funds and staff resources to address.



What is RHNA?

All cities in the six-county southern California region, including the City of Rancho Santa Margarita, must update their General Plan Housing Elements by October 15, 2021. Housing Elements must include an eight-year plan for new housing growth, and each city must plan for its share of housing need as determined and allocated by the State Department of Housing and Community Development (HCD) and the Southern California Association of Governments (SCAG). The housing need is called the Regional Housing Need Allocation (RHNA).

SCAG allocated the City of RSM 680 housing units that the City must plan for during the period from October 2021- October 2029. The 680 units are broken down by income category as follows:

- 209 units in the very-low-income category;
- 120 units in the low-income category;
- 125 units in the moderate-income category; and
- 226 units in the above-moderate income category.

*For more information visit the Housing Element Update web page at
<http://www.cityofrsm.org/622/Housing-Element-Update-2021>*

