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California Can Simplify the Housing Element Law to Reduce Administrative Burdens and Improve Social Equity

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Issue

California's Housing Element law requires all local governments to adequately plan to meet the state's existing and future housing needs. The law establishes processes for determining regional housing needs and requires regional councils of governments (COGs) with allocating these housing needs to cities and counties in the form of numerical targets. Local governments must update the housing element of their general plans and adopt policies to accommodate the housing targets. The California Department of Housing and Community Development (HCD) reviews all local housing elements and determines whether the elements comply with state law.

The allocation of housing targets should promote socioeconomic equity, facilitate efficient development patterns, and support long-range regional strategies to reduce greenhouse gas emissions.¹ State legislators and administrators do not have adequate information to evaluate whether the housing allocation process aligns with these goals. The efficacy of the Housing Element law depends, in part, on the way that regional housing targets are determined and allocated to local governments. It also depends on the enforcement mechanisms enabling state agencies, non-governmental organizations, and housing developers to ensure that local land use and zoning policies accommodate the allocated targets. Different allocation and enforcement approaches could have varying impacts on both the supply and location of new housing.

Key Research Findings

A research team at UC Irvine examined the ways that housing targets are allocated and enforced with a focus on how to guide housing growth near transit and employment opportunities. Focusing on the six-county region covered by the Southern California Association of Governments (SCAG), the team found that:

The multi-criteria allocation methods currently used by COGs may be unnecessarily complex and counterproductive. The Housing Element law directs COGs to allocate housing units to jurisdictions through a multi-criteria method incorporating numerous indicators.² The multi-criteria method developed by SCAG for the upcoming planning cycle, which spans October 2021 through October 2029, accounts for criteria such as projected household growth and the accessibility of jobs and public transit. Although SCAG's method promotes housing development in jobs-rich areas, it is unnecessarily complex. A simpler allocation method could achieve the same policy objective with less administrative burden. Furthermore, SCAG's method allocates fewer units to high-income cities and has created imbalanced allocations among some cities with similar socioeconomic conditions. The simpler method tested by the research team could avoid such imbalances.

Simpler methods for allocating housing targets to local governments could promote access to jobs with relatively low administrative burden. Allocation methods

should be analytically and administratively simple. The researchers devised an allocation method based on only two criteria – local housing stock and a simple measure of employment accessibility based on readily available data. This simpler method assigns more units to cities with relatively high job accessibility without compromising other policy goals (i.e., allocating housing units to high-opportunity areas characterized by higher incomes, lower unemployment rates, and access to high-performing schools). Moreover, the simplicity of this allocation method minimizes administrative burdens for COGs and HCD, while giving local governments clearer long-term guidance about their responsibilities to place housing in jobs-rich areas.

Current enforcement mechanisms may be insufficient to ensure that local governments adequately guide housing to transit- or jobs-rich areas. HCD assesses whether cities’ and counties’ general plans demonstrate sufficient capacity to accommodate the development of their housing allocations. Private entities, such as non-governmental organizations and housing developers, can

sue local governments that fail to do so. But, even if local governments demonstrate sufficient planned capacity, the areas identified as suitable for future development may not be accessible to transit and/or employment. For example, upon reviewing the current general plans of two cities in Orange County, the research team found that one city’s current general plan designated relatively little land for multi-family residential use in transit- or jobs-rich areas.

More Information

This policy brief is drawn from the report “Accessibility, Affordability, and the Allocation of Housing Targets to California’s Local Governments” prepared by Huixin Zheng, Nicholas Marantz, Jae Hong Kim, and Doug Houston with the University of California, Irvine. The report is posted on the UC ITS website at www.ucits.org/research-project/2020-50. For more information about findings presented in this brief, please contact Huixin Zheng at huixinz2@uci.edu.

¹ CAL. GOV. CODE, §65584(d). More broadly, the legislature has declared that the Housing Element law is intended to mitigate housing costs in order to address problems including “imbalance in jobs and housing, reduced mobility, urban sprawl, [and] excessive commuting[.]” CAL. GOV. CODE, §65589.5(a)(1)(C) (2019).

² CAL. GOV. CODE, §65584.04(e).

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