



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
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## SPECIAL MEETING

# REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD PUBLIC HEARING

**Remote Participation Only**  
**Monday, January 11, 2021**  
**9:00 a.m. – 3:00 p.m.**

**To Participate on Your Computer:**  
**<https://scag.zoom.us/j/91702781766>**

**To Participate by Phone:**  
**Call-in Number: 1-669-900-6833**  
**Meeting ID: 917 0278 1766**

***Please see next page for detailed  
instructions on how to participate in the meeting.***

### **PUBLIC ADVISORY**

Given recent public health directives limiting public gatherings due to the threat of COVID-19 and in compliance with the Governor's recent Executive Order N-29-20, the meeting will be held telephonically and electronically.

If members of the public wish to review the attachments or have any questions on any of the agenda items related to RHNA, please send an email to [housing@scag.ca.gov](mailto:housing@scag.ca.gov). Agendas and Minutes are also available at: [www.scag.ca.gov/committees](http://www.scag.ca.gov/committees).

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1959. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



## Instructions for Public Comments

*You may submit public comments in two (2) ways:*

1. Submit written comments via email to: [housing@scag.ca.gov](mailto:housing@scag.ca.gov) by 5pm on Friday, January 8, 2021.

All written comments received after 5pm on Friday, January 8, 2021 will be announced and included as part of the official record of the meeting.

2. If participating via Zoom or phone, during the Public Comment Period, use the “raise hand” function on your computer or \*9 by phone and wait for SCAG staff to announce your name/phone number. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments via email to: [housing@scag.ca.gov](mailto:housing@scag.ca.gov).

***In accordance with SCAG’s Regional Council Policy, Article VI, Section H and California Government Code Section 54957.9, if a SCAG meeting is “willfully interrupted” and the “orderly conduct of the meeting” becomes unfeasible, the presiding officer or the Chair of the legislative body may order the removal of the individuals who are disrupting the meeting.***



## Instructions for Participating in the Meeting

SCAG is providing multiple options to view or participate in the meeting:

### To Participate and Provide Verbal Comments on Your Computer

1. Click the following link: <https://scag.zoom.us/j/91702781766>
2. If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
3. Select “Join Audio via Computer.”
4. The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.
5. During the Public Comment Period, use the “raise hand” function located in the participants’ window and wait for SCAG staff to announce your name. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.

### To Listen and Provide Verbal Comments by Phone

1. Call **(669) 900-6833** to access the conference room. Given high call volumes recently experienced by Zoom, please continue dialing until you connect successfully.
2. Enter the **Meeting ID: 917 0278 1766**, followed by #.
3. Indicate that you are a participant by pressing # to continue.
4. You will hear audio of the meeting in progress. Remain on the line if the meeting has not yet started.
6. During the Public Comment Period, press \*9 to add yourself to the queue and wait for SCAG staff to announce your name/phone number. SCAG staff will unmute your line when it is your turn to speak. Limit oral comments to 3 minutes, or as otherwise directed by the presiding officer.



# REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD PUBLIC HEARING SPECIAL MEETING AGENDA

## RHNA APPEALS BOARD MEMBERS – RHNA 6<sup>TH</sup> CYCLE

### VOTING MEMBERS

#### **Representing Imperial County**

Primary: Hon. Cheryl Viegas-Walker, El Centro  
Alternate: Sup. Luis Plancarte, Imperial County

#### **Representing Los Angeles County**

Primary: Hon. Margaret Finlay, Duarte  
Alternate: Hon. Rex Richardson, Long Beach

#### **Representing Orange County**

Primary: Hon. Wendy Bucknum, Mission Viejo  
Alternate: **CHAIR** Peggy Huang, Yorba Linda, TCA

#### **Representing Riverside County**

Primary: Hon. Russell Betts, Desert Hot Springs  
Alternate: Hon. Rey SJ Santos, Beaumont

#### **Representing San Bernardino County**

Primary: Hon. Deborah Robertson, Rialto  
Alternate: Hon. Larry McCallon, Highland

#### **Representing Ventura County**

Primary: Hon. Carmen Ramirez, Oxnard  
Alternate: Hon. Mike Judge, Simi Valley, VCTC



# REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) APPEALS BOARD

## PUBLIC HEARING –

## SPECIAL MEETING AGENDA

Southern California Association of Governments

Remote Participation Only

**Monday, January 11, 2021**

**9:00 AM – 3:00 PM**

### **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

*(The Honorable Peggy Huang, Chair)*

### **PUBLIC COMMENT PERIOD**

Members of the public are encouraged to submit written comments by sending an email to: [housing@scag.ca.gov](mailto:housing@scag.ca.gov) by 5pm on Friday, January 8, 2021. Such comments will be transmitted to members of the legislative body and posted on SCAG's website prior to the meeting. Written comments received after 5pm on January 8, 2021 will be announced and included as part of the official record of the meeting. Members of the public wishing to verbally address the RHNA Appeals Board will be allowed up to 3 minutes to speak, with the presiding officer retaining discretion to adjust time limits as necessary to ensure efficient and orderly conduct of the meeting. The presiding officer has the discretion to reduce the time limit based upon the number of comments received and may limit the total time for all public comments to twenty (20) minutes.

Click [here](#) to access the list of written Public Comments received as of 1/4/2021, or see the attachment.

All comments submitted are posted online at <https://scag.ca.gov/rhna-comments>.

### **ELECTION OF VICE CHAIR**

### **ACTION ITEM/S**

1. Public Hearings to Consider Appeals Submitted by Jurisdictions Related to the 6th Cycle Draft RHNA Allocations

*(Kome Ajise, Executive Director)*

### **RECOMMENDED ACTION:**

Review the appeals submitted by eight (8) jurisdictions regarding their respective 6th cycle Draft RHNA Allocations; review corresponding staff recommendations as reflected in the staff reports; receive public comments; hear arguments by appellants and staff responses; and take action to grant, partially grant, or deny each appeal.

The Chair has the discretion to determine the order of appeals heard.

### Schedule

1.1 City of El Monte\*

1.2 City of San Dimas\*



- 1.3 City of Alhambra\*
- 1.4 City of Temple City\*
- 1.5 City of San Gabriel\*
- 1.6 County of South Pasadena\*
- 1.7 City of Pasadena\*
- 1.8 City of San Fernando\*

**\* For each appeal, the general time allocation is as the following with Chair's discretion to grant extension as needed:**

- Initial Arguments (5 min)
- Staff Response (5 min)
- Rebuttal (3 min)

**For more information, please see Appeals Hearing Procedures in the Attachment.**

### **ADJOURNMENT**

***The Public Hearing to hear submitted appeals to the 6th cycle Regional Housing Needs Assessment (RHNA) Allocations will continue on January 13, 2021.***

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## ATTACHMENT - Appeals Hearing Procedures

### (Per Adopted 6<sup>th</sup> Cycle RHNA Appeals Procedures Section G)

The hearing(s) shall be conducted to provide applicants and jurisdictions that did not file appeals but are the subject of an appeal, with the opportunity to make their case regarding a change in their draft regional housing need allocation or another 7 jurisdiction's allocation, with the burden on the applicants to prove their case. The appeals hearings will be organized by the specific jurisdiction subject to an appeal or appeals and will adhere to the following procedures:

#### 1. Initial Arguments

Applicants who have filed an appeal for a particular jurisdiction will have an opportunity to present their request and reasons to grant the appeal. In the event of multiple appeals filed for a single jurisdiction, the subject jurisdiction will present their argument first if it has filed an appeal on its own draft RHNA allocation. Applicants may present their case either on their own, or in coordination with other applicants, but each applicant shall be allotted five (5) minutes each. If the subject jurisdiction did not file an appeal on its own draft RHNA allocation, it will be given an opportunity to present after all applicants have provided initial arguments on their filed appeals. Any presentation from the jurisdiction who did not appeal but is the subject of the appeal is limited to five (5) minutes unless it is responding to more than one appeal, in which case the jurisdiction is limited to eight (8) minutes.

#### 2. Staff Response

After initial arguments are presented, SCAG staff will present their recommendation to approve or deny the appeals filed for the subject jurisdiction. The staff response is limited to five (5) minutes.

#### 3. Rebuttal

Applicants and the jurisdiction who did not file an appeal but is the subject of the appeal may elect to provide a rebuttal but are limited to the arguments and evidence presented in the staff response. Each applicant and the subject jurisdiction that did not file an appeal on its own draft RHNA allocation will be allotted three (3) minutes each for a rebuttal.

#### 4. Extension of Time Allotment

The Chair of the Appeals Board may elect to grant additional time for any presentation, staff response, or rebuttal in the interest of due process and equity.

#### 5. Appeal Board Discussion and Determination

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After arguments and rebuttals are presented, the RHNA Appeals Board may ask questions of applicants, the subject jurisdiction (if present), and SCAG staff. The Chair of the Appeals Board may request that questions from the Appeals Board be asked prior to a discussion among Appeals Board members. Any voting Board member may make a motion regarding the appeal(s) for the subject jurisdiction.

The Appeals Board is encouraged to make a single determination on the subject jurisdiction after hearing all arguments and presentations on each subject jurisdiction. The RHNA Appeals Board need not adhere to formal evidentiary rules and procedures in conducting the hearing. An appealing jurisdiction may choose to have technical staff present its case at the hearing. At a minimum, technical staff should be available at the hearing to answer any questions of the RHNA Appeals Board.



Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
10/11/2018	City of Beverly Hills	Hon. John Mirisch	Subcommittee membership
12/2/2018	City of Mission Viejo	Gail Shiomoto-Lohr	Subcommittee charter, subregional delegation, growth forecast
1/17/2019	City of Beverly Hills	Hon. John Mirisch	Urban sprawl
2/4/2019	City of Beverly Hills	Hon. John Mirisch	Role of housing supply, single family homes, subcommittee membership
3/11/2019	City of Beverly Hills	Hon. John Mirisch	Subcommittee membership, upzoning, single family homes
3/30/2019	City of Beverly Hills	Hon. John Mirisch	Upzoning, urbanism, density
5/2/2019	Central Cities Association of Los Angeles	Jessica Lall	Regional Determination
5/6/2019	City of Irvine	Marika Poynter	Regional determination, existing need distribution, social equity adjustment
5/20/2019	City of Redondo Beach	Sean Scully	Existing housing need and zoning
5/23/2019	UCLA Luskin School of Public Affairs	Paavo Monkkonen	Zoning, housing prices, and regulation
5/28/2019	Orange County Council of Governments (OCCOG)	Hon. Stacy Berry	Regional determination consultation package
5/29/2019	City of Anaheim	Chris Zapata	Regional determination consultation package
5/31/2019	City of Yorba Linda	David Brantley	Regional determination consultation package
6/1/2019	City of Mission Viejo		Regional determination consultation package; distribution methodology
6/3/2019	City of Newport Beach	Seimone Jurjjs	Regional determination consultation package
6/3/2019	UCLA	Paavo Monkkonen	Regional determination consultation package
6/4/2019	City of Tustin	Elizabeth Binsack	Regional determination consultation package
6/4/2019		Henry Fung	Public outreach and engagement; regional determination consultation package
6/5/2019		Hunter Owens	Regional determination consultation package
6/5/2019	City of Santa Ana	Kristine Ridge	Regional determination consultation package
6/5/2019	City of Newport Beach	Seimone Jurjjs	Regional determination consultation package
6/5/2019	City of Calabasas	Mayor David Shapiro	RHNA methodology
6/5/2019		Vyki Englert	Regional determination consultation package
6/5/2019		Juan Lopez	Regional determination consultation package
6/5/2019		Louis Mirante	Regional determination consultation package
6/5/2019		Carter Rubin	Regional determination consultation package
6/6/2019		Hon. Meghan Sahli-Wells, City of Culver City	Regional determination consultation package
6/5/2019		Andy Freeland	Regional determination consultation package
6/5/2019		Eve Bachrach	Regional determination consultation package
6/6/2019		Emily Groendyke	Regional determination consultation package
6/6/2019		Timothy Hayes	Regional determination consultation package
6/6/2019		Carter Moon	Regional determination consultation package
6/6/2019		Jesse Lerner-Kinglake	Regional determination consultation package
6/6/2019		Alex Fisch	Regional determination consultation package
6/6/2019		Jed Lowenthal	Regional determination consultation package
6/6/2019	City of Moorpark	Karen Vaughn	Proposed RHNA Methodology
6/6/2019	City of La Habra	Jim Gomez	Regional determination package
6/6/2019	County of Orange	Supervisor Donald Wagner	Regional determination package
6/18/2019		Thomas Glaz	Proposed RHNA methodology
6/18/2019		Brendan Regulinski	Proposed RHNA methodology
6/18/2019		Chris Palencia	Proposed RHNA methodology
6/19/2019		Henry Fung	Action on regional determination; proposed RHNA methodology; public hearing and outreach process
6/21/2019		Glenn Egelko	Subcommittee member remarks
6/22/2019		Donna Smith	Proposed RHNA methodology
6/24/2019		Fred Zimmerman	Regional determination package
6/24/2019		Antoine Wakim	Regional determination package

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
6/24/2019		Darrell Clarke	Regional determination package
6/24/2019		Marcos Rodriguez Maciel	Regional determination package
6/24/2019		Taylor Hallam	Regional determination package
6/24/2019		Phil Lord	Regional determination package
6/24/2019		Edwin Woll	Regional determination package
6/24/2019		Steven Guerry	Regional determination package
6/24/2019		Prabhu Reddy	Regional determination package
6/24/2019		Judd Schoenholtz	Regional determination package
6/24/2019		Bret Contreras	Regional determination package
6/24/2019		Mark Montiel	Regional determination package
6/24/2019		Hardy Wronske	Regional determination package
6/24/2019		William Wright	Regional determination package
6/24/2019		Nicholas Burns III	Regional determination package
6/24/2019		Brendan Regulinski	Regional determination package
6/24/2019		Gabe Rose	Regional determination package
6/24/2019		Sean McKenna	Regional determination package
6/24/2019		Lolita Nurmamade	Regional determination package
6/24/2019		Paul Moorman	Regional determination package
6/24/2019		Ryan Welch	Regional determination package
6/24/2019		Gerald Lam	Regional determination package
6/24/2019		Carol Gordon	Regional determination package
6/24/2019		Anthony Dedousis	Regional determination package
6/24/2019		Christopher Cooper	Regional determination package
6/24/2019		Colin Frederick	Regional determination package
6/24/2019		Joe Goldman	Regional determination package
6/24/2019		David Douglass-Jaimes	Regional determination package
6/24/2019		Liz Barillas	Regional determination package
6/24/2019		Andy Freeland	Regional determination package
6/24/2019		Grayson Peters	Regional determination package
6/24/2019		Andrew Oliver	Regional determination package
6/24/2019		Kyle Jenkins	Regional determination package
6/24/2019		Matthew Ruscigno	Regional determination package
6/24/2019		Amar Billoo	Regional determination package
6/24/2019		Joshua Blumenkopf	Regional determination package
6/24/2019		Leonora Camner	Regional determination package
6/24/2019		Ryan Tanaka	Regional determination package
6/24/2019		Partho Kalyani	Regional determination package
6/24/2019		Victoria Englert	Regional determination package
6/24/2019		Josh Albrekton	Regional determination package
6/24/2019		Matt Stauffer	Regional determination package
6/24/2019		Brooks Dunn	Regional determination package
6/24/2019		Nancy Barba	Regional determination package
6/24/2019		Sandra Madera	Regional determination package
6/25/2019		Gregory Dina	Regional determination package
6/25/2019		Brent Gaisford	Regional determination package
6/25/2019		Andrew Kerr	Regional determination package
6/25/2019		Hunter Owens	Regional determination package
6/25/2019		Alexander Murray	Regional determination package
6/25/2019		Eric Hayes	Regional determination package
6/25/2019		Brent Stoll	Regional determination package
6/25/2019		Matthew Dixon	Regional determination package

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
6/25/2019		Mark Yetter	Regional determination package
6/25/2019		Chase Engelhardt	Regional determination package
6/25/2019		Hugh Martinez	Regional determination package
6/25/2019		Christopher Palencia	Regional determination package
6/25/2019		Nathan Pope	Regional determination package
6/25/2019		Lauren Borchard	Regional determination package
6/25/2019		Shane Philips	Regional determination package
6/25/2019		Alexander Naylor	Regional determination package
6/25/2019		Andy May	Regional determination package
6/25/2019		Jon Dearing	Regional determination package
6/25/2019		David Barboza	Regional determination package
6/26/2019		Sofia Tablada	Regional determination package
6/26/2019		Amanda Wilson	Regional determination package
6/26/2019		Mike Bettinardi	Regional determination package
6/26/2019		Emily Skehan	Regional determination package
6/26/2019	City of Long Beach	Patrick West	Proposed RHNA methodology
6/27/2019		Jesse Silva	Regional determination package
6/27/2019		Ryan Rubin	Regional determination package
6/27/2019	City of Garden Grove	Mayor Steve Jones	Regional determination package; proposed RHNA methodology
6/27/2019	County of Los Angeles	Amy Bodek	Proposed RHNA methodology
6/28/2019		Maggie Rattay	Regional determination package
6/28/2019		Brittney Hojo	Regional determination package
6/28/2019		Thomas Irwin	Regional determination package
6/28/2019		Steph Pavon	Regional determination package
7/3/2019		Tyler Lindberg	Regional determination package
7/3/2019		Ji Son	Regional determination package
7/3/2019		David Kitani	Regional determination package
7/3/2019		Chase Andre	Regional determination package
7/3/2019		Taily Pulido	Regional determination package
7/5/2019		Stephanie Palencia	Regional determination package
7/6/2019		Charlie Stigler	Regional determination package
7/8/2019		Chris Rattay	Regional determination package
7/9/2019		Holly Osborne	Proposed RHNA Methodology
7/9/2019	City of Ojai	James Vega	Proposed RHNA Methodology
7/10/2019	City of South Gate	Joe Perez	Proposed RHNA Methodology
7/11/2019	City of Malibu	Reva Feldman	Proposed RHNA Methodology
7/16/2019	City of Los Angeles, 15 <sup>th</sup> District	Aksel Palacios	Affordable Housing Solutions
7/17/2019	City of Culver City	Mayor Meghan Sahli-Wells	Regional Determination
7/18/2019	League of Women Voters of Los Angeles	Sandra Trutt	Zoning and Homelessness
7/18/2019	County of Riverside	Juan Perez	Proposed RHNA allocation
7/19/2019	League of Women Voters of Los Angeles County	Marge Nichols	Regional Determination
7/20/2019		Therese Mufic Neustaedter	Regional Determination
7/23/2019	County of Ventura – Board of Supervisors	Supervisor Steve Bennett	Proposed RHNA Methodology
7/25/2019		Jose Palencia	Regional Determination
7/27/2019		Henry Fung	Proposed RHNA Methodology
7/29/2019		Paavo Monkkonen	Proposed RHNA Methodology
7/29/2019		Paavo Monkkonen	Proposed RHNA Methodology
7/29/2019	Endangered Habitats League	Dan Silver	Proposed RHNA methodology
7/31/2019	League of Women Voters Los Angeles County	Marge Nichols	Regional Determination; Proposed RHNA Methodology
7/31/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
7/31/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
7/31/2019		Assm. Richard Bloom	Proposed RHNA Methodology
8/1/2019	League of Women Voters Santa Monica	Natalya Zernitskaya	Proposed RHNA Methodology
8/1/2019	City of Malibu	Bonnie Blue	Proposed RHNA Methodology; SB 182
8/1/2019	People for Housing OC	Elizabeth Hansburg	Regional Determination
8/1/2019	City of Big Bear Lake	Jeff Matthieu	Proposed RHNA Methodology
8/2/2019		Donna Smith	?
8/4/2019		Gary Drucker	Proposed RHNA Methodology
8/5/2019		Valerie Fontaine	Proposed RHNA Methodology
8/5/2019		Jay Ross	Proposed RHNA Methodology
8/7/2019		Miriam Cantor	Proposed RHNA Methodology
8/8/2019		Jonathan Baty	Population growth
8/12/2019		City of Yucaipa	Proposed RHNA methodology
8/12/2019		Paul Lundquist	?
8/12/2019		Leonora Camner	Proposed RHNA Methodology
8/12/2019		Ryan Tanaka	Proposed RHNA Methodology
8/12/2019		Jesse Silva	Proposed RHNA Methodology
8/12/2019		Joshua Gray-Emmer	Proposed RHNA Methodology
8/12/2019		Chase Engelhardt	Proposed RHNA Methodology
8/12/2019		Drew Heckathorn	Proposed RHNA Methodology
8/12/2019		Liz Barillas	Proposed RHNA Methodology
8/12/2019		Jonah Bliss	Proposed RHNA Methodology
8/12/2019		Angus Beverly	Proposed RHNA Methodology
8/12/2019		Gregory Dina	Proposed RHNA Methodology
8/12/2019		Eduardo Mendoza	Proposed RHNA Methodology
8/12/2019		Carol Gordon	Proposed RHNA Methodology
8/12/2019		Joanne Leavitt	Proposed RHNA Methodology
8/12/2019		Mark Yetter	Proposed RHNA Methodology
8/12/2019		Meredith Jung	Proposed RHNA Methodology
8/12/2019		Nicholas Burns III	Proposed RHNA Methodology
8/12/2019		Judd Scoenholtz	Proposed RHNA Methodology
8/12/2019		Lee Benson	Proposed RHNA Methodology
8/12/2019		Kate Poisson	Proposed RHNA Methodology
8/12/2019		Joshua Blumenkopf	Proposed RHNA Methodology
8/12/2019		Anthony Dedousis	Proposed RHNA Methodology
8/12/2019		Christopher Tausanovitch	Proposed RHNA Methodology
8/12/2019		Emerson Dameron	Proposed RHNA Methodology
8/12/2019		Grayson Peters	Proposed RHNA Methodology
8/12/2019		Tami Kagan-Abrams	Proposed RHNA Methodology
8/12/2019		Lauren Borchard	Proposed RHNA Methodology
8/12/2019		Alec Mitchell	Proposed RHNA Methodology
8/12/2019		Andy Freeland	Proposed RHNA Methodology
8/12/2019		Michelle Castelletto	Proposed RHNA Methodology
8/12/2019		Brent Gaisford	Proposed RHNA Methodology
8/12/2019		Rebecca Muli	Proposed RHNA Methodology
8/12/2019		Ryan Welch	Proposed RHNA Methodology
8/12/2019		Prabhu Reddy	Proposed RHNA Methodology
8/12/2019		Matthew Dixon	Proposed RHNA Methodology
8/12/2019		Richard Hofmeister	Proposed RHNA Methodology
8/12/2019		David Barboza	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
8/12/2019		Michael Drowsky	Proposed RHNA Methodology
8/12/2019		Allison Wong	Proposed RHNA Methodology
8/13/2019		Justin Jones	Proposed RHNA Methodology
8/13/2019		Yurhe Lim	Proposed RHNA Methodology
8/13/2019		Ryan Koyanagi	Proposed RHNA Methodology
8/13/2019		William Wright	Proposed RHNA Methodology
8/13/2019		Norma Guzman	Proposed RHNA Methodology
8/13/2019		Mary Vaiden	Proposed RHNA Methodology
8/13/2019		Andy May	Proposed RHNA Methodology
8/13/2019		Gerald Lam	Proposed RHNA Methodology
8/13/2019		Kelly Koldus	Proposed RHNA Methodology
8/13/2019		Thomas Irwin	Proposed RHNA Methodology
8/14/2019		Susan Decker	Proposed RHNA Methodology
8/14/2019		Michael Busse	Proposed RHNA Methodology
8/14/2019		Rosa Flores	Proposed RHNA Methodology
8/14/2019		Pedro Juarez	Proposed RHNA Methodology
8/14/2019		Zennon Ulyate-Crow	Proposed RHNA Methodology
8/16/2019		Ron Javorsky	
8/16/2019	County of Riverside	Robert Flores	RHNA Public Outreach
8/17/2019		Marianne Buchanan	
8/17/2019		Carolyn Byrnes	Other
8/17/2019		Sharon Willkins	
8/17/2019		Natalya Zernitskaya	Proposed RHNA Methodology
8/19/2019		Kawauna Reed	
8/19/2019		Hon. Manuel Chavez (Costa Mesa Councilmember, District 4)	Proposed RHNA Methodology
		Cassius Rutherford (Parks Commissioner, Costa Mesa)	
		Chris Gaarder (Planning Commission Chair, Fullerton)	
		Brandon Whalen-Castellanos (Transportation Commission Chair, Fullerton)	
		Luis Aleman (Parks Commission, Santa Ana)	
8/19/2019		Theopilis Hester	Proposed RHNA Methodology
8/20/2019	City of Santa Monica	Rick Cole	Proposed RHNA Methodology
8/20/2019	City of Rancho Palos Verdes	Octavio Silva	Proposed RHNA Methodology
8/20/2019	City of Yorba Linda	Mayor Tara Campbell	Proposed RHNA Methodology
8/22/2019	City of Redondo Beach	Mayor William Brand	Proposed RHNA Methodology
8/22/2019	Orange County Council of Governments (OCCOG)	Marnie O. Primmer	Proposed RHNA Methodology
8/23/2019		Bruce Szekes	Public Outreach
8/23/2019	Center for Demographic Research		Proposed RHNA Methodology
8/23/2019		Laura Smith	Housing Distribution
8/23/2019	City of Beverly Hills	Mayor John Mirisch	Proposed RHNA Methodology
8/24/2019		Sharon Commins	Proposed RHNA Methodology
8/26/2019	City of El Segundo		Proposed RHNA Methodology
8/26/2019		Sean McKenna	Proposed RHNA Methodology
8/26/2019		Mark Chenevey	Proposed RHNA Methodology
8/26/2019		Derek Ryder	Proposed RHNA Methodology
8/26/2019	City of Long Beach	Patrick West	Proposed RHNA Methodology
8/27/2019	City of Mission Viejo	Elaine Lister	Proposed RHNA Methodology data correction
8/27/2019		Shawn Danino	Proposed RHNA Methodology
8/27/2019		Jeffery Alvarez	Proposed RHNA Methodology
8/27/2019		Claudia Vu	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
8/27/2019		Laila Delgado	Proposed RHNA Methodology
8/27/2019		Madeline Swim	Proposed RHNA Methodology
8/27/2019		Nicholas Paganini	Proposed RHNA Methodology
8/27/2019		David Aldama	Proposed RHNA Methodology
8/27/2019		Hannah Winnie	Proposed RHNA Methodology
8/27/2019		Akif Khan	Proposed RHNA Methodology
8/27/2019		Gianna Lum	Proposed RHNA Methodology
8/27/2019		Bradley Ewing	Proposed RHNA Methodology
8/27/2019		Anne Martin	Proposed RHNA Methodology
8/27/2019		Mysten Walker	Proposed RHNA Methodology
8/27/2019		Verity Freebern	Proposed RHNA Methodology
8/27/2019		Ryan Oillataguerre	Proposed RHNA Methodology
8/27/2019		Emma Desopo	Proposed RHNA Methodology
8/27/2019		Elyssa Medina	Proposed RHNA Methodology
8/27/2019		Judith Trujillo	Proposed RHNA Methodology
8/27/2019		Kenia Agaton	Proposed RHNA Methodology
8/27/2019	OC Business Council	Alicia Berhow	Proposed RHNA Methodology
8/27/2019	Palms Neighborhood Council	Eryn Block	Proposed RHNA Methodology
8/27/2019	County of Riverside	Juan Perez	Proposed RHNA Methodology
8/28/2019		Sophia Parmisano	Proposed RHNA Methodology
8/28/2019		Anthony Castelletto	Proposed RHNA Methodology
8/28/2019		Minh Le	Proposed RHNA Methodology
8/28/2019		Carol Luong	Proposed RHNA Methodology
8/28/2019		Chitra Patel	Proposed RHNA Methodology
8/28/2019		Misha Ponnuraju	Proposed RHNA Methodology
8/27/2019		Griffin McDaniel	Proposed RHNA Methodology
8/28/2019		Lauren Walker	Proposed RHNA Methodology
8/28/2019		Robert Flores	Proposed RHNA Methodology
8/28/2019		Hailey Maxwell	Proposed RHNA Methodology
8/28/2019		Carey Kayser	Proposed RHNA Methodology
8/28/2019		Annie Bickerton	Proposed RHNA Methodology
8/29/2019	City of Fullerton	Matt Foulkes	Proposed RHNA Methodology
8/29/2019	City of Norco	Steve King	Proposed RHNA Methodology
8/29/2019	City of Signal Hill	Mayor Lori Wood	Proposed RHNA Methodology
8/29/2019	SCANPH	Francisco Martinez	Proposed RHNA Methodology
8/29/2019		Ross Heckmann	Proposed RHNA Methodology
8/30/2019		Dottie Alexanian	Proposed RHNA Methodology
8/30/2019		Judith Deutsch	Proposed RHNA Methodology
8/30/2019	City of Tustin	Elizabeth Binsack	Proposed RHNA Methodology
8/30/2019	City of Menifee	Cheryl Kitzerow	Proposed RHNA Methodology
8/31/2019		Paavo Monkkonen	Proposed RHNA Methodology
8/31/2019		Paavo Monkkonen and 27 professors	Proposed RHNA Methodology
8/31/2019		Ryan Kelly	Proposed RHNA Methodology
8/31/2019		Hydee Feldstein	Proposed RHNA Methodology
8/31/2019		Alex Ivina	Proposed RHNA Methodology
8/31/2019		Steve Rogers	Proposed RHNA Methodology
8/31/2019		Phil Davis	Proposed RHNA Methodology
8/31/2019		Kathy Hersh	Proposed RHNA Methodology
9/1/2019		Jane Demian	Proposed RHNA Methodology
9/1/2019		Diana Stiller	Proposed RHNA Methodology
9/1/2019		Paula Bourges	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
9/1/2019		Raymond Goldstone	Proposed RHNA Methodology
9/1/2019		Christopher Palencia	Proposed RHNA Methodology
9/2/2019		Doris Roach	Proposed RHNA Methodology
9/3/2019		Judy Saunders	Proposed RHNA Methodology
9/3/2019		Susan Ashbrook	Proposed RHNA Methodology
9/3/2019		Marcelo & Irene Olavarria	Proposed RHNA Methodology
9/3/2019		Margret Healy	Proposed RHNA Methodology
9/3/2019		Genie Saffren	Proposed RHNA Methodology
9/3/2019	City of Rancho Santa Margarita	Cheryl Kuta	Proposed RHNA Methodology
9/3/2019	City of Corona	Joanne Coletta	Proposed RHNA Methodology
9/3/2019	City of Desert Hot Springs	Rebecca Deming	Proposed RHNA Methodology
9/3/2019		Karen Boyarsky	Regional Determination
9/3/2019		Nancee L.	Proposed RHNA Methodology
9/3/2019		Tracy St. Claire	Regional Determination
9/4/2019		Shelly Carlo	Housing Distribution
9/4/2019		Bill Zimmerman	Proposed RHNA Methodology
9/4/2019		Mark Vallianatos	Proposed RHNA Methodology
9/4/2019		Marilyn Frost	Housing Distribution
9/4/2019		Matthew Stevens	Proposed RHNA Methodology
9/4/2019		Georgianne Cowan	Regional Determination
9/4/2019		Lisa Schecter	Regional Determination
9/4/2019		Carol Watkins	Regional Determination
9/4/2019		Mark Robbins	Regional Determination
9/4/2019		Susan Horn	Regional Determination
9/4/2019		Barbara Broide	Regional Determination
9/4/2019		Joseph Sherwood	Regional Determination
9/4/2019		Linda Sherwood	Regional Determination
9/4/2019		Darren Swimmer	Regional Determination
9/4/2019		Lee Zeldin	Regional Determination
9/4/2019		Nancy Rae Stone	Regional Determination
9/4/2019		Rachael Gordon	Regional Determination
9/4/2019		Martha Singer	Regional Determination
9/4/2019		Laurie Balustein	Regional Determination
9/4/2019		Henry Fung	Regional Determination
9/4/2019		Brad Pennington	Regional Determination
9/4/2019		Mike Javadi	Regional Determination
9/4/2019		Lauren Thomas	Regional Determination
9/4/2019		Keith Solomon	Regional Determination
9/4/2019		Linda Blank	Regional Determination
9/4/2019		Valerie Brucker	Regional Determination
9/4/2019		Craig Rich	Regional Determination
9/4/2019		Wansun Song	Regional Determination
9/4/2019		Robert Seligman	Regional Determination
9/4/2019	City of Newport Beach	Seimone Jurjis	Regional Determination
9/4/2019	City of Calabasas	Mayor David Shapiro	Regional Determination
9/4/2019		Paul Soroudi	Regional Determination
9/4/2019		Terrence Gomes	Regional Determination
9/4/2019		Kimberly Fox	Regional Determination
9/4/2019		Mra Tun	Regional Determination
9/4/2019		Laura Levine Lacter	Regional Determination
9/4/2019		Stephen Resnick	Regional Determination

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
9/4/2019		Kimberly Christensen	Regional Determination
9/4/2019		Rita Villa	Regional Determination
9/4/2019	City of San Clemente	James Makshanoff	Proposed RHNA Methodology
9/4/2019	City of Beaumont	Julio Martinez	Proposed RHNA Methodology
9/4/2019	City of Hawthorne	Arnold Shadbeh	Proposed RHNA Methodology
9/5/2019	City of Murrieta	Mayor Kelly Seyarto	Proposed RHNA Methodology
9/5/2019	City of Canyon Lake	Jim Morrissey	Proposed RHNA Methodology
9/5/2019		Hunter Owens	Proposed RHNA Methodology
9/5/2019		Stephen Twining	Regional Determination
9/5/2019		Paul Callinan	Regional Determination
9/5/2019		C. McAlpin	Regional Determination
9/5/2019		Isabel Janke	Regional Determination
9/5/2019		Ann Hayman	Regional Determination
9/5/2019		Meg Sullivan	Housing Production
9/5/2019	City of Moreno Valley	Patty Nevins	Proposed RHNA Methodology
9/5/2019		Massy Mortazavi	Regional Determination
9/5/2019		Fred Golan	Regional Determination
9/5/2019		Debbie & Howard Nussbaum	Regional Determination
9/5/2019		Devony Hastings	Regional Determination
9/5/2019	League of Women Voters of Los Angeles County	Marge Nichols	RHNA Methodology
9/5/2019		Larry Blugrind	Housing Distribution
9/5/2019		Terry Tegnazian	Regional Determination
9/5/2019	Gateway Cities Council of Governments (GCCOG)	M. Diane DuBois	RHNA Methodology
9/5/2019		Denson Fujikawa	Other
9/5/2019		Tracy Fitzgerald	Regional Determination
9/5/2019	City of Pomona	Anita Gutierrez	Proposed RHNA Methodology
9/5/2019		Minhlinh Nguyen	Regional Determination
9/5/2019		Anita Gutierrez	Proposed RHNA Methodology
9/5/2019	City of Fountain Valley	Steve Nagel	Proposed RHNA Methodology
9/5/2019	City of Camarillo	Kevin Kildee	Proposed RHNA Methodology
9/5/2019		Denson Fujikawa	Other
9/6/2019	City of Sierra Madre	Gabriel Engeland	Proposed RHNA Methodology
9/6/2019	City of Laguna Hills	Donald White	Proposed RHNA Methodology
9/6/2019		David Oliver	Regional Determination
9/6/2019	City of Chino Hills	Joann Lombardo	Proposed RHNA Methodology
9/7/2019		David Ting	Regional Determination
9/9/2019	City of Azusa	Sergio Gonzalez	Proposed RHNA Methodology
9/9/2019	City of Alhambra	Jessica Binnquist	Proposed RHNA Methodology
9/9/2019	Los Angeles Chamber of Commerce	Maria Salinas	RHNA Methodology
9/9/2019	City of Ranchos Palos Verdes	Octavio Silva	Proposed RHNA Methodology
9/9/2019		Kathy Whooley	Regional Determination
	San Gabriel Valley Council of Governments		
9/9/2019	(SGVCOG)	Cynthia Sternquist	Proposed RHNA Methodology
9/9/2019		Matthew Hinsley	Regional Determination
9/9/2019	City of Agoura Hills	Greg Ramirez	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Laura Emdee	Regional Determination
9/10/2019		Jessica Sandoval	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Bill Brand	Proposed RHNA Methodology
9/10/2019		Yesenia Medina	Regional Determination



Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
9/10/2019		Jeannette Mazul	Regional Determination
9/10/2019		Jocelyne Irineo	Proposed RHNA Methodology
9/10/2019		Cristina Resendez	Proposed RHNA Methodology
9/10/2019		Carla Bucio	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Bill Brand	Proposed RHNA Methodology
9/10/2019	City of Redondo Beach	Laura Emdee	Proposed RHNA Methodology
9/10/2019	City of Garden Grove	Steve Jones	Proposed RHNA Methodology
9/10/2019		Henry Fung	Overall RHNA Process
9/10/2019	City of San Marino	Aldo Cervantes	Proposed RHNA Methodology
9/10/2019	City of South Gate	Jorge Morales	Proposed RHNA Methodology
9/10/2019	City of Torrance	Patrick Furey	Proposed RHNA Methodology
9/10/2019	City of Rancho Cucamonga	John Gillison	Proposed RHNA Methodology
9/10/2019		Jeannette Mazul	Affordable Housing
9/10/2019		Tina Kim	Proposed RHNA Methodology
9/11/2019	City of South Pasadena	Stephanie DeWolfe	Proposed RHNA Methodology
9/11/2019	City of Glendora	Jeff Kugel	Proposed RHNA Methodology
9/11/2019	City of Ojai	John F. Johnson	Proposed RHNA Methodology
9/11/2019	City of Oxnard	Tim Flynn	Proposed RHNA Methodology
9/11/2019	City of Westlake Village	Ned E. Davis	Proposed RHNA Methodology
9/11/2019	City of Cerritos	Art Gallucci	Proposed RHNA Methodology
9/11/2019	City of Hemet	Christopher Lopez	Proposed RHNA Methodology
9/11/2019	City of La Palma	Laurie Murray	Proposed RHNA Methodology
9/11/2019	City of Bell	Ali Saleh	Proposed RHNA Methodology
9/11/2019		Karen Rivera	Regional Determination
9/11/2019		David Coffin	Regional Determination
9/12/2019	City of Lomita	Alicia Velasco	Proposed RHNA Methodology
9/12/2019	City of Wildomar	Matthew Bassi	Proposed RHNA Methodology
9/12/2019	City of Aliso Viejo	David Doyle	Proposed RHNA Methodology
9/12/2019	City of Commerce	Vilko Domic	Proposed RHNA Methodology
9/12/2019	City of El Monte	Betty Donavanik	Proposed RHNA Methodology
9/12/2019	South Bay Cities Council of Governments (SBCCOG)	Christian Horvath	Proposed RHNA Methodology
9/12/2019	City of Huntington Beach	Dave Kiff	Proposed RHNA Methodology
9/12/2019	City of Rosemead	Gloria Molleda	Proposed RHNA Methodology
9/12/2019	City of Dana Point	Matt Schneider	Proposed RHNA Methodology
9/12/2019	City of Placentia	Rhonda Shader	Proposed RHNA Methodology
9/12/2019	City of Palos Verdes Estates	Carolynn Petru	Proposed RHNA Methodology
9/12/2019	City of Palmdale	Mark Oyler	Proposed RHNA Methodology
9/12/2019	City of Hawthorne	Alejandro Vargas	Proposed RHNA Methodology
9/12/2019	City of Irvine	Mayor Christina L. Shea	Proposed RHNA Methodology
9/12/2019	City of Walnut	Rob Wishner	Proposed RHNA Methodology
9/12/2019	City of Maywood	Jennifer Vasquez	Proposed RHNA Methodology
9/12/2019	City of Culver City	Meghan Sahli-Wells	Proposed RHNA Methodology
9/12/2019	City of Buena Park	Joel Rosen	Proposed RHNA Methodology
9/12/2019	City of Santa Clarita	Thomas Cole	Proposed RHNA Methodology
9/12/2019	City of Temecula	Luke Watson	Proposed RHNA Methodology
9/12/2019	City of Lake Elsinore	Richard MacHott	Proposed RHNA Methodology
9/12/2019	City of San Dimas	Ken Duran	Proposed RHNA Methodology
9/12/2019	City of Irwindale	William Tam	Proposed RHNA Methodology
9/12/2019	City of Santa Ana	Kristine Ridge	Proposed RHNA Methodology
9/12/2019	City of La Mirada	Jeff Boynton	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
9/12/2019	City of Anaheim	Chris Zapata	Proposed RHNA Methodology
9/12/2019	City of Costa Mesa	Lori Ann Farrell Harrison	Proposed RHNA Methodology
9/12/2019	City of Huntington Park	Sergio Infanzon	Proposed RHNA Methodology
9/12/2019	Westside Neighborhood Council	Terri Tippit	Proposed RHNA Methodology
9/12/2019	City of Eastvale	Bryan Jones	Proposed RHNA Methodology
9/12/2019		John Birkett	Regional Determination
9/12/2019		Lourdes Petersen	Regional Determination
9/12/2019		Jesse Silva	Proposed RHNA Methodology
9/12/2019		Anne Hilborn	Proposed RHNA Methodology
9/12/2019		Henry Fung	Proposed RHNA Methodology
9/13/2019		Holly Osborne	Proposed RHNA Methodology
9/13/2019		Niall Huffman	Proposed RHNA Methodology
9/13/2019		Michael Hoskinson	Proposed RHNA Methodology
San Bernardino County Transportation			
9/13/2019	Authority/Council of Governments (SBCTA/SBCOG)	Darcy McNaboe	Proposed RHNA Methodology
9/13/2019	City of Downey	Aldo Schindler	Proposed RHNA Methodology
9/13/2019	City of Bellflower	Elizabeth Corpuz	Proposed RHNA Methodology
9/13/2019	City of Lakewood	Abel Avalos	Proposed RHNA Methodology
9/13/2019	City of Orange	Rick Otto	Proposed RHNA Methodology
9/13/2019	City of Paramount	John Carver	Proposed RHNA Methodology
9/13/2019	City of Rolling Hills	Jeff Pieper	Proposed RHNA Methodology
9/13/2019	City of San Fernando	Nick Kimball	Proposed RHNA Methodology
9/13/2019	City of Mission Viejo	Dennis Wilberg	Proposed RHNA Methodology
9/13/2019	City of Moorpark	Karen Vaughn	Proposed RHNA Methodology
9/13/2019	American Planning Association (CA Chapter)	Eric Phillips	Proposed RHNA Methodology
9/13/2019	County of Ventura	David Ward	Proposed RHNA Methodology
9/13/2019	City of Chino	Nicholas Liguori	Proposed RHNA Methodology
9/13/2019	One Step A La Vez	Kate English	Housing Development
American Planning Association (Los Angeles Section)			
9/13/2019		Ryan Kurtzman	Proposed RHNA Methodology
9/13/2019	City of Laguna Beach	Scott Drapkin	Proposed RHNA Methodology
9/13/2019	Santa Monicans for Renters' Rights	Patricia Hoffman and Denny Zane	Proposed RHNA Methodology
Western Riverside Council of Governments (WRCOG)			
9/13/2019		Rick Bishop	Proposed RHNA Methodology
9/13/2019	City of Los Angeles	Mayor Eric Garcetti	Proposed RHNA Methodology
9/13/2019	City of West Hollywood	Mayor John D'Amico	Proposed RHNA Methodology
9/13/2019	City of San Juan Capistrano	Joel Rojas	Proposed RHNA Methodology
9/13/2019	City of Thousand Oaks	Mark Towne	Proposed RHNA Methodology
9/13/2019	City of Newport Beach	Seimone Jurjis	Proposed RHNA Methodology
9/13/2019	City of Laguna Niguel	Jonathan Orduna	Proposed RHNA Methodology
9/13/2019	County of San Bernardino	Terri Rahhal	Proposed RHNA Methodology
9/13/2019	City of Indio	Kevin Snyder	Proposed RHNA Methodology
9/13/2019	City of Avalon	Anni Marshall	Proposed RHNA Methodology
9/13/2019	City of Burbank	Patrick Prescott	Proposed RHNA Methodology
9/13/2019	City of Santa Monica Housing Commission	Michael Soloff	Proposed RHNA Methodology
9/13/2019	City of Riverside	Jay Eastman	Proposed RHNA Methodology
9/13/2019	City of Whittier	Conal McNamara	Proposed RHNA Methodology
9/13/2019	City of San Gabriel	Arminé Chaparyan	Proposed RHNA Methodology
9/13/2019	City of San Buenaventura (Ventura)	Peter Gilli	Proposed RHNA Methodology
9/13/2019	City of Temple City	Scott Reimers	Proposed RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
9/13/2019	City of Palm Desert	Ryan Stendell	Proposed RHNA Methodology
9/13/2019	City of Monterey Park	Ron Bow	Proposed RHNA Methodology
9/13/2019	LA Thrives Et Al. (19 total organizations)	LA Thrives Et Al. (19 total organizations)	Proposed RHNA Methodology
9/13/2019	Leadership Council for Justice and Accountability Et Al. (7 total organizations)	Leadership Council for Justice and Accountability Et Al. (7 total organizations)	Proposed RHNA Methodology
9/13/2019	Southern California Business Coalition (7 total organizations)	Southern California Business Coalition (7 total organizations)	Proposed RHNA Methodology
9/15/2019		Michelle Schumacher	Other
9/30/2019	Homeowners of Encino	Eliot Cohen	Proposed RHNA Methodology
9/30/2019		Trudy Sokol	Other
10/1/2019	City of Barstow	Michael Massimini	Proposed RHNA Methodology
10/2/2019	County of Orange	Supervisor Donald Wagner	Draft RHNA Methodology
10/3/2019	County of Riverside	Charissa Leach	Draft RHNA Methodology
10/4/2019	City of Irvine	Mayor Christina L. Shea	Draft RHNA Methodology
10/6/2019	UCLA Luskin School of Public Affairs	Paavo Monkkonen	Draft RHNA Methodology
10/7/2019	City of Costa Mesa	Lori Ann Farrell Harrison	Draft RHNA Methodology
10/8/2019	South Bay Cities Council of Governments (SBCCOG)	Christian Horvath	Draft RHNA Methodology
10/9/2019	Del Rey Residents Association	Tara Walden	Other
10/10/2019		Karen Davis Ferlauto	Other
10/11/2019	Abundant Housing LA	David Bonaccorsi	Draft RHNA Methodology
10/11/2019	City of Oxnard	Mayor Tim Flynn	Draft RHNA Methodology
10/16/2019	County of Riverside	Charissa Leach	Draft RHNA Methodology
10/21/2019	City of Newport Beach	Seimone Jurjis	Draft RHNA Methodology
	San Bernardino County Transportation Authority/Council of Governments (SBCTA/SBCOG)		
10/21/2019		Ray Wolfe	Draft RHNA Methodology
10/23/2019		Barbara Broide	Draft RHNA Methodology
10/23/2019	County of Riverside	Supervisor Kevin Jeffries	Draft RHNA Methodology
10/25/2019		Robert Flores	Draft RHNA Methodology
10/25/2019		Reed Bernet	Draft RHNA Methodology
10/29/2019	Rancho Palos Verdes	Ana Mihranian	Draft RHNA Methodology
10/28/2019		Warren Hogg	Draft RHNA Methodology
10/29/2019	City of Coachella	Luis Lopez	Draft RHNA Methodology
10/31/2019		Marilyn Brown	Purpose of RHNA
		Mayor Rusty Bailey (City of Riverside) Supervisor Karen Spiegel (County of Riverside) Mayor Frank Navarro (City of Colton)	
11/1/2019		Hon. Toni Momberger (City of Redlands)	Draft RHNA Methodology
11/1/2019	City of Los Angeles, 4th District	Hon. David Ryu	Draft RHNA Methodology
11/4/2019	Central Cities Association of Los Angeles	Jessica Lall	Draft RHNA Methodology
11/5/2019	Orange County Council of Governments (OCCOG)	Marnie O. Primmer	Draft RHNA Methodology
11/5/2019	City of Gardena	Mayor Tasha Cerda	Draft RHNA Methodology
11/5/2019	City of Los Angeles	Vincent P. Bertoni and Kevin J. Keller	Draft RHNA Methodology
11/5/2019	City of Huntington Beach	Oliver Chi	Draft RHNA Methodology
11/6/2019	City of Hemet	Christopher Lopez	Draft RHNA Methodology
11/6/2019	City of Chino	Nicholos S. Liguori	Draft RHNA Methodology
11/6/2019	City of Menifee	Cheryl Kitzerow	Draft RHNA Methodology
11/6/2019	County of Los Angeles	Sachi A. Hamai	Draft RHNA Methodology
11/6/2019	City of Newport Beach	Seimone Jurjis	Draft RHNA Methodology

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
11/6/2019	City of Fontana	Michael Milhiser	Draft RHNA Methodology
11/6/2019	City of Chino Hills	Joann Lombardo	Draft RHNA Methodology
11/6/2019		Henry Fung	Regional Determination
11/6/2019	City of Costa Mesa	Barry Curtis	Draft RHNA Methodology
11/7/2019	City of Temple City	Scott Reimers	Draft RHNA Methodology
11/8/2019	Gateway Cities Council of Governments (GCCOG)	Nancy Pfeffer	Draft RHNA Methodology
11/20/2019	City of Huntington Beach	Michael Gates, Mayor Erik Peterson, and Mayor Pro Tem Lyn Semeta	Draft RHNA Methodology
12/12/2019		Holly Osborne	Draft RHNA Methodology
12/12/2019	City of Tustin	Allan Bernstein	Draft RHNA Methodology
12/19/2019	City of Fountain Valley	Mayor Cheryl Brothers	Draft RHNA Methodology
12/16/2019	City of Chino Hills	Joann Lombardo	Draft RHNA Methodology
12/20/2019	City of Cerritos	Naresh Solanki	Draft RHNA Methodology
1/23/2020		Karen Farley	Draft RHNA Methodology
1/23/2020		Steve Stowell	Draft RHNA Methodology
1/27/2020		Janet Chang	Draft RHNA Methodology
1/29/2020	City of Downey	Mayor Blanca Pacheco	Draft RHNA Methodology
2/4/2020	City of Cerritos	Mayor Naresh Solanki	Draft RHNA Methodology
2/6/2020		Steve Davey	Draft RHNA Methodology
2/6/2020		Connie Bryant	Draft RHNA Methodology
2/6/2020		Tom Wright	Draft RHNA Methodology
2/10/2020	City of Irvine	Marika Poynter	Draft Appeals Procedures
2/10/2020	City of Laguna Hills	David Chantarangsu	Draft Appeals Procedures
2/10/2020	City of Mission Viejo	Gail Shiomoto-Lohr	Draft Appeals Procedures
2/10/2020	City of Santa Ana	Melanie McCann	Draft Appeals Procedures
2/10/2020	City of Oxnard (amended)	Elyssa Vasquez	Draft Appeals Procedures
2/10/2020		Jennifer Denmark	Draft Appeals Procedures
2/12/2020		Janice and Ricardo Lim	Draft RHNA Methodology
2/18/2020	City of Lakewood	Thaddeus McCormack	Draft RHNA Methodology
2/18/2020	OCCOG	Marnie O. Primmer	Regional Determination Objection
2/18/2020		Nancy Norman	Draft RHNA Methodology
2/18/2020		Sepeedeh Ahadiat	Draft RHNA Methodology
2/18/2020		Nas Ahadiat	Draft RHNA Methodology
2/19/2020		Dave Latter	Draft RHNA Methodology
2/19/2020		Vikki Bujold-Peterson	Draft RHNA Methodology
2/19/2020	City of Yorba Linda	David Brantley	Draft RHNA Methodology
2/21/2020	City of Newport Beach	Will O'Neill	Draft RHNA Methodology
2/20/2020	City of Rancho Santa Margarita	Cheryl Kuta	Draft RHNA Methodology
2/20/2020	City of Huntington Beach	Oliver Chi	Draft RHNA Methodology
2/20/2020	City of South Gate	Joe Perez	Draft RHNA Methodology
2/20/2020	City of West Hollywood	John Leonard	Draft RHNA Methodology
2/20/2020	City of Cerritos	Art Gallucci	Draft RHNA Methodology
2/22/2020		Colleen Johnson	Draft RHNA Methodology
2/23/2020		Nancy Pleskot	Other
2/23/2020		Susan Decker	Draft RHNA Methodology
2/23/2020		Scott Nathan	Housing Development
2/20/2020	City of Irvine	Pete Carmichael	Draft RHNA Methodology
2/20/2020	City of Anaheim	Ted White	Draft RHNA Methodology
2/24/2020	City of Anaheim	Trevor O'Neil	Draft RHNA Methodology
2/25/2020		Vito Mancini	Draft RHNA Methodology
2/25/2020		Henry Fung	CEHD Meeting Agenda

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
2/25/2020	City of Rosemead	Margaret Clark and Gloria Molleda	Draft RHNA Methodology
2/26/2020	City of Fullerton	Kenneth Domer	Draft RHNA Methodology
2/26/2020		Henry Fung	Draft RHNA Methodology
2/26/2020	City of Alhambra	Jessica Binnquist	Draft RHNA Methodology
2/26/2020		Holly Osborne	Draft RHNA Methodology
2/26/2020	City of La Mirada	Jeff Boynton	Draft RHNA Methodology
2/26/2020	City of Garden Grove	Steven Jones	Draft RHNA Methodology
2/26/2020		Mehta Sunil	Draft RHNA Methodology
2/26/2020	City of Gardena	Tasha Cerda	Draft RHNA Methodology
2/27/2020		Jaimee Suh	Draft RHNA Methodology
2/27/2020	City of South Pasadena	Robert S. Joe	Draft RHNA Methodology
2/27/2020	City of South Gate	Michael Flad	Draft RHNA Methodology
2/27/2020	City of Walnut	Rob Wishner	Draft RHNA Methodology
2/27/2020	City of La Verne	Eric Scherer	Draft RHNA Methodology
2/28/2020		Kari Geosano	Draft RHNA Methodology
2/28/2020	City of Torrance	Danny E. Santana	Draft RHNA Methodology
2/28/2020	City of Laguna Hills	Janine Heft	Draft RHNA Methodology
3/1/2020		Scott Pisano	Draft RHNA Methodology
3/2/2020	City of Bradbury	Richard T. Hale, Jr.	Draft RHNA Methodology
3/2/2020	City of La Mirada	Jeff Boynton	Draft RHNA Methodology
3/2/2020	City of Norco	Steve King	Draft RHNA Methodology
3/2/2020	City of Seal Beach	Les Johnson	Draft RHNA Methodology
3/3/2020	City of Torrance	Danny E. Santana	Draft RHNA Methodology
3/3/2020	City of Cerritos	Art Gallucci	Draft RHNA Methodology
3/3/2020	City of San Dimas	Ken Duran	Draft RHNA Methodology
3/3/2020	City of La Palma	Peter Kim	Draft RHNA Methodology
3/3/2020	City of Newport Beach	Will O'Neill	Draft RHNA Methodology
3/3/2020	City of Rancho Palos Verdes	Terry Rodrigue	Draft RHNA Methodology
3/4/2020		Brian Johnson	Draft RHNA Methodology
		William R. "Rusty" Bailey (City of Riverside), Frank Navarro (City of Colton), Larry K. McCallon (City of Highland), Deborah Robertson (City of Rialto), Carmen Ramirez (City of Oxnard), Steve Manos (City of Lake Elsinore), Karen S. Spiegel (County of Riverside)	Draft RHNA Methodology
3/4/2020	City of Riverside		Draft RHNA Methodology
3/4/2020	City of Monterey Park	Ron Bow	Draft RHNA Methodology
3/4/2020		Holly Osborne	Draft RHNA Methodology
3/4/2020	City of La Puente	Bob Lindsey	Draft RHNA Methodology
3/4/2020	City of Huntington Beach	Oliver Chi	Draft RHNA Methodology
3/4/2020	City of Eastvale	Bryan Jones	Draft RHNA Methodology
3/4/2020	City of Lake Forest	Neeke Moatazed	Draft RHNA Methodology
3/4/2020	City of Chino Hills	Ray Marquez	Draft RHNA Methodology
3/4/2020	City of La Puente	Bob Lindsey	Draft RHNA Methodology
3/5/2020	City of Costa Mesa	Barry Curtis	Draft RHNA Methodology
3/12/2020	City of Fountain Valley	(unsigned)	Proposed Housing Legislative Amendments
3/14/2020		Amy Wasson	RHNA Methodology
4/27/2020	OCCOG	Hon. Trevor O'Neil	RHNA Methodology
5/5/2020		Holly Osborne	RHNA Methodology
5/5/2020		Holly Osborne	RHNA Methodology (2nd letter received)
11/4/2020	City of Beverly Hills	Lester J. Friedman	RHNA Litigation Committee
11/9/2020	City of Lakewood	Todd Rogers	RHNA Litigation Committee
11/10/2020	City of Rosemead	Sandra Armenta	RHNA Litigation Committee
11/10/2020	City of Gardena	Tasha Cerda	RHNA Litigation Committee

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
11/11/2020	City of Cypress	Rob Johnson	Comment from Jurisdiction on filed appeal: City of Santa Ana
11/11/2020	City of Cypress	Rob Johnson	RHNA Litigation Committee
11/12/2020	City of Torrance	Patrick J. Furey	RHNA Litigation Committee
11/13/2020	City of Whittier	Joe Vinatieri	RHNA Litigation Committee
11/16/2020	City of Rancho Santa Margarita	Bradley J. McGirr	RHNA Litigation Committee
11/16/2020	City of Pico Rivera	Gustavo Camacho	RHNA Litigation Committee
11/16/2020	City of Pico Rivera	Steve Carmona	RHNA Litigation Committee
11/16/2020	City of Glendora	Michael Allawos	RHNA Litigation Committee
11/17/2020	City of Beverly Hills	George Chavez	RHNA Litigation Committee
11/17/2020	City of Lawndale	Robert Pullen-Miles	RHNA Litigation Committee
11/17/2020	City of Norwalk	Jennifer Perez	RHNA Litigation Committee
11/17/2020	City of Redondo Beach	William Brand	RHNA Litigation Committee
11/17/2020	City of San Fernando	Joel Fajardo	RHNA Litigation Committee
11/17/2020	City of Fountain Valley	Cheryl Brothers	RHNA Litigation Committee
11/17/2020	City of Laguna Beach	Bob Whalen	RHNA Litigation Committee
11/18/2020	City of Cerritos	Frank Aurelio Yokoyama	RHNA Litigation Committee
11/18/2020	City of Rancho Palos Verdes	Ara Michael Mhuranian	RHNA Litigation Committee
11/18/2020	City of Pasadena	Steve Mermell	RHNA Litigation Committee
11/18/2020	City of Lomita	James Gazeley	RHNA Litigation Committee
11/18/2020	City of Westminster	Sherry Johnson	RHNA Litigation Committee
11/18/2020	City of Temple City	Bryan Cook	RHNA Litigation Committee
11/20/2020	South Bay Cities Council of Governments	Olivia Valentine	RHNA Litigation Committee
11/24/2020	City of Calipatria	Jim Spellins	RHNA Litigation Committee
11/24/2020	City of Chino	Nicholas S. Liguori	RHNA Litigation Committee
11/30/2020	City of Irvine	Christina Shea	RHNA Litigation Committee
11/30/2020	City of Signal Hill	Robert Copeland	RHNA Litigation Committee
12/1/2020	City of Yorba Linda	Mark Pulone	Comment from Jurisdiction on filed appeal: City of Yorba Linda
12/1/2020	Orange County Mayors	21 Orange County mayors	RHNA Litigation Committee
12/2/2020	City of Rancho Santa Margarita	Bradley J. McGirr	Comment from Jurisdiction on filed appeal: City of Santa Ana
12/3/2020	City of Long Beach	Christopher Koontz	Comment from Jurisdiction on filed appeal: All appeals
12/4/2020		Kevin Yang	Public comment on filed appeal: City of Yorba Linda
12/9/2020	City of Yorba Linda	Mark Pulone	Comment from Jurisdiction on filed appeal: City of Yorba Linda
12/10/2020	City of Whittier	Jeffrey S. Adams	Comment from Jurisdiction on filed appeal: All appeals
12/10/2020	California Department of Housing and Community Development (HCD)	Megan Kirkeby	Comment from California Department of Housing & Community Development on filed appeal: All appeals
12/10/2020	City of Corona	Joanne Coletta	Comment from Jurisdiction on filed appeal: City of Hemet and County of Riverside
12/10/2020	City of Santa Ana	Kristine Ridge	Comment from Jurisdiction on filed appeal: City of Santa Ana
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Costa Mesa
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: County of Orange
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Fountain Valley
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Fullerton
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Garden Grove
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Irvine
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: La Palma
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Laguna Beach
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Laguna Hills
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Los Alamitos
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Mission Viejo
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Newport Beach
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Rancho Santa Margarita

Written Comments Received on the 6th Cycle RHNA (as of 1/4/21)

Date of Letter	Organization	Name	Topic(s)
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Tustin
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Westminster
12/10/2020	Public Law Center	Alexis Mondares and Richard Walker	Public comment on filed appeal: Yorba Linda
12/21/2020	City of Yorba Linda	Mark Pulone	Response to comment from Public Law Center (12/10/20)
12/24/2020		Holly Osborne	RHNA Methodology
1/4/2021		Henry Fung	RHNA Litigation Committee

[All comments are posted online at https://scag.ca.gov/rhna-comments.](https://scag.ca.gov/rhna-comments)

Comments can be submitted to: [housing@scag.ca.gov](mailto:housing@scag.ca.gov)



Southern California Association of Governments  
k h \  
January 11, 2021

**To:** Regional Housing Needs Assessment Subcommittee (RHNA)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Michael Gainor, Senior Regional Planner,  
(213) 236-1822, Gainor@scag.ca.gov

**Subject:** Appeal of the Draft RHNA Allocation for the City of El Monte

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of El Monte (the City) to reduce its Draft RHNA Allocation from its current draft allocation of 8,481 units to 5,345 units, a reduction of 3,136 units.

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of El Monte requests a reduction of its RHNA allocation of 8,481 residential units based on the following issue:

- 1) Lack of available land suitable for urban development.

**RATIONALE FOR STAFF RECOMMENDATION:**

Staff have reviewed the appeal submitted by the City of El Monte and recommend no change be made to the City's RHNA allocation.

Issue 1 was not accepted because state law housing requires that consideration of the availability of land suitable for residential development must include land uses other than vacant land.

While the City has demonstrated significant progress toward creating increased residential opportunities proximal to its two major transit stations, additional efforts need to be extended to accommodate forecast household growth and existing housing need.

**BACKGROUND:**

**OUR MISSION**

*To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.*

**OUR VISION**

*Southern California's Catalyst for a Brighter Future*

**OUR CORE VALUES**

*Be Open | Lead by Example | Make an Impact | Be Courageous*

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### **Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the draft RHNA allocation for the City of El Monte is provided below.

#### **Total RHNA Allocation for the City of El Monte: 8,481 units**

Very Low Income: 1,792 units

Low Income: 851 units

Moderate Income: 1,230 units

Above Moderate Income: 4,608 units

Additional background information related to the draft RHNA allocation for the City of El Monte is included in Attachment 1.

### **Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed for the City of El Monte. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

### **ANALYSIS:**

***Issue 1: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].***

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*The City of El Monte indicates that it is fully built-out and its availability of developable land is limited. As a result, the City has very limited opportunities for new residential development on existing vacant lands. In its appeal, the City provides an overview of several sites that it is planning to accommodate a portion of its RHNA allocation, including locations within close proximity to high quality transit amenities, including the City’s Metrolink Station and the El Monte Transit Center. The City also includes an analysis of currently designated sites that could accommodate a limited number of units through increased density and mixed-use opportunities. However, since single family and multi-family zones are built out, infill opportunities are limited. The City concludes in its appeal that its draft allocation of 8,481 new housing units within the eight-year RHNA planning period is more than may be reasonably accommodated.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land.

As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City can consider other opportunities for development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City’s projected growth.

While the City of El Monte’s pursuit of transit-accessible housing opportunities near its major transit facilities is recognized, SCAG is not able to reduce the City’s RHNA allocation based on its assertion that it is a built-out community, particularly if constraints are due to existing zoning established by the City. The City cites to limitations due to its general plan, specific plans, and various other zoning restrictions. The City should seek alternative means for accommodating the needed housing units.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

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**ATTACHMENT(S):**

1. Local Input & Development of Draft RHNA Allocation (City of El Monte)
2. City of El Monte RHNA Appeal Letter
3. Map of High Quality Transit Areas in the City of El Monte (2045)
4. Map of Job Accessibility in the City of El Monte (2045)
5. City of El Monte Data Input Verification Form

## Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of El Monte had to provide information and local input on SCAG’s growth forecast, the adopted RHNA methodology, and the Growth Vision of the 2020 RTP/SCS (Connect SoCal). It also describes how the RHNA Methodology development process integrated this information to develop the City of El Monte’s Draft RHNA Allocation.

### 1. Local input

#### *a. Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data in preparation for development of Connect SoCal and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth; input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of El Monte, the anticipated number of households in 2020 was 28,115 and in 2030 was 30,449 (growth of 2,334 households). In January 2018, SCAG staff met with jurisdictional staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of El Monte on

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<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires local jurisdictions to make available sufficient zoning capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>

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the growth forecast was received in November 2018. Following input, household totals were updated to 28,172 in 2020 and 31,145 in 2030, for a revised household growth during this period of 2,973.

**b. RHNA Methodology Surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of El Monte submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**c. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG reduction targets, as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be found at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site:

<http://spmdm.scag.ca.gov>

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Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of El Monte from which differed from the Growth Vision.

## 2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the*

*statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).*

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data obtained through the Connect SoCal Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### 3. Draft RHNA Allocation for the City of El Monte

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of El Monte received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of El Monte as summarized in the data and calculations featured in the table below.

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<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

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City of El Monte Statistics and Inputs		Calculation of Draft RHNA Allocation for El Monte	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	2,453	Forecasted household (HH) growth, RHNA period:	2,453
Percent of households who are renting:	60%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	88
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	8,482	TOTAL PROJECTED NEED:	2,541
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	13.51%	Existing need due to job accessibility (50%):	2,851
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,358,000	Existing need due to HQTAs pop share (50%):	3,558
Share of region's job accessibility (population weighted):	0.68%	Net residual factor for existing need:	-468
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	86,985	TOTAL EXISTING NEED:	5,951
Share of region's HQTAs population (2045):	0.85%	<b>TOTAL RHNA FOR THE CITY OF EL MONTE:</b>	<b>8,481</b>
Share of population in low/very low-resource tracts:	94.69%	Very-low income (<50% of AMI):	1,792
Share of population in very high-resource tracts:	0.00%	Low income (50-80% of AMI):	851
Social equity adjustment:	180%	Moderate income (80-120% of AMI):	1,230
		Above moderate income (>120% of AMI):	4,608

The transit accessibility measure is based on the population anticipated to live within 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and its population forecasts. With a forecasted 2045 population of 86,985 living within HQTAs, the City of El Monte will account for 0.85 percent of the SCAG region's total 2045 HQTAs population, which provides the basis for allocating housing units based on the transit accessibility factor.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate housing units

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based on job accessibility. From the City of El Monte’s median TAZ, it will be possible to reach 13.51 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,358,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

While allocating housing need on the basis of job and transit accessibility is consistent with the statutory objectives of RHNA and represents factors in which El Monte scores highly, in the SCAG region many jurisdictions with especially high job and transit accessibility are lower-income and lower-resourced. The methodology applies a maximum to these ‘Disadvantaged Communities’ (DACs) equal to the 2045 household growth forecast, as described above. While El Monte’s existing need factors score highly, as a DAC, a residual factor of -468 units has been applied to ensure that the City’s total RHNA housing unit need of 8,481 units does not exceed its 2020-2045 forecasted household growth plus approximately three percent.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

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**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scag.ca.gov](mailto:housing@scag.ca.gov).*  
*Late submissions will not be accepted.*

Date:

10/26/20

Jurisdiction Subject to This Appeal Filing:

*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD)

City of El Monte

Filing Party Contact Name

Nancy Lee

Filing Party Email:

nlee@elmonteca.gov

**APPEAL AUTHORIZED BY:**

Name: Betty Donovanik

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region's greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_

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**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
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*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

See Attachment "A".

**Brief Description of Appeal Request and Desired Outcome:**

The City of El Monte is requesting that the Sixth Cycle RHNA number be reduced from 8,481 units to 5,345 units due to the lack of availability of land suitable for urban development or for conversion to residential use.

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced 3,136          Added 0

**List of Supporting Documentation, by Title and Number of Pages**

**(Numbers may be continued to accommodate additional supporting documentation):**

1. Residential Construction Projections for 6th RHNA Cycle, 1 page
2. Downtown Main Street Specific Plan Building Intensity, 1 page
3. Gateway Specific Plan and General Plan description, 2 pages

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_

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## Attachment "A"

The City of El Monte is appealing the Sixth Cycle RHNA based on Local Planning Factors as follows:

**Availability of Land Suitable for Urban Development or for conversion to residential use** – The City of El Monte is built out with existing developments and the availability of land is limited. While the City is primarily built out, City staff has diligently worked to find opportunities for residential development and prepared an annual projection based on a 20 year build out in areas (described below) of the City that allows for higher densities and additional residential units (i.e. Accessory Dwelling Units/Infill Developments). This information is based on current development projections with an annual 5% increase.

The first area, known as the El Monte Gateway, encompasses 60.15 acres, and is located around the MTA Bus Terminal, and has been designated to provide higher residential densities per the General Plan. A specific plan has been adopted which allows up to 1,850 residential units to complement transit-oriented uses at the MTA Station. City staff estimates that 1,700 additional units would be constructed within the next 20 years. Within the 6th RHNA cycle, City staff projects the construction of 680 units.

The second area is the Downtown Core, which is 115 acres in size, and is adjacent to the City's Metrolink Station, and also designated to provide higher residential densities. The adopted specific plan for the downtown core specifies the potential for 2,200 new residential units. The City estimates that 2,000 units could be built within the next 20 years. Within the 6th RHNA cycle, City staff projects the construction of 800 units.

The third, fourth, and fifth areas are the City's Mixed-Use Corridors located along Garvey Avenue, Peck Road, and Durfee Avenue. While the areas listed below provide opportunity to additional densities, the lots that front these main corridors are smaller and narrower in size and may constraint development densities. However, it assumes greater densities for the Peck and Garvey Mixed-Use corridors (instead of an average density of 25 units per/acre and 30 units per/acre, it has been increased to 30 units/acre and 35 units/acre, respectively).

- Garvey Ave – at 50 acres in size and an average density of 35 units/acre, City staff projects the construction of 700 units within the 6th RHNA cycle.
- Peck Road – at 45 acres in size and an average density of 30 units/acre, City staff projects the construction of 450 units within the 6th RHNA cycle.
- Durfee Avenue – at 40 acres in size, and an average density of 25 units/acre, City staff projects the construction of 320 units within the 6th RHNA cycle.

The sixth area where opportunities for additional units are projected are within zones in the City that allow for Accessory Dwelling Units (ADU), which are single, multi, and mixed use zones. For 2020, staff estimates issuing permits for 80 ADUs. Therefore, factoring a 5% annual increase, City staff projects the construction of 760 ADU's within the 6th RHNA cycle.

Lastly, the seventh area is located within single-family and multi-family zones. Since the City is built out, the availability of infill lots are limited. However, staff estimates that 1,635 units constructed within the 6th RHNA Cycle.

As demonstrated above, the City has been active in considering suitable higher density housing sites or land suitable for urban development in locations that are within close proximity transit. Additionally, the numbers shown above all reflect greater annual growth, compared to 2014-2020. This demonstrates that the City is open to providing more housing, however, the draft 6<sup>th</sup> Cycle RHNA number to produce 8,481 units within a six year period is not realistic due to availability of suitable land. Based on the information provided above and within the supporting documentation attached to this appeal, the 6th Cycle RHNA number of 5,345 is more realistic and appropriate number.

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## Residential projections for RHNA 6<sup>th</sup> Cycle

Area/Zone	20 Year Build-Out	Annual Projection	8-Year 6 <sup>th</sup> Cycle City Projection
Downtown Specific Plan	2,000	100	800
Gateway Specific Plan	1,700	85	680
Garvey Mixed-Use Corridor, 50 acres (high transit, high services)	Average of 35 u/acre 1,750	87	700
Peck Mixed-Use Corridor, 45 acres (less transit, high services)	Average of 30 units/acre 1,125	56	450
Durfee Mixed-Use Corridor, 40 acres (less transit, less services)	Average of 20 u/acre 800	40	320
Accessory Dwelling Units (ADUs)	Baseline of 80 units for 2020; 5% increase annually	95	760
Single-family and multi-family zones (i.e. infill development)	Baseline of 175 units annually for 2015-2020; 5% increase annually	200	1,635
		<b>TOTAL:</b>	<b>5,345</b>

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City Council. If a use that is not listed in the Permitted Uses Table is allowed pursuant to this procedure, then a development application for said use may be filed and processed in the manner outlined herein.

### 6.5 NON-CONFORMING USES AND STRUCTURES

See Chapter 17.14 Nonconforming Provisions of the EMMC.

### 6.6 EXCEPTIONS

Exceptions to Specific Plan requirements include minor modifications to height, yard, and building conditions, as well as other exceptions and modifications as described in Chapter 17.20 Modification-Variance, of the El Monte Municipal Code. Requests for exceptions shall be processed pursuant to the procedures set forth therein.

### 6.7 SPECIFIC PLAN BUILDING INTENSITY

As part of this Specific Plan effort, a CEQA review was completed for the potential development of a total net new pool of 2,200 net new residential dwelling units and 500,000 net new square feet of commercial, non-residential development within the Specific Plan Area. This maximum allowable potential development within the Specific Plan Area does not take into account environmental constraints or application of all development standards. It is anticipated that buildout will take place over time and thus it is unknown when complete buildout of the Specific Plan Area will occur. In order to ensure that the cumulative buildout assumed for the overall Specific Plan Area is not exceeded, the Economic Development Director or his/her designee will track the amount of net new residential units and commercial, non-residential square footage developed under this Specific Plan (by right and under the DOR), and will allocate Residential DOR credits and Commercial DOR credits until the pool is fully utilized or the pool is increased by subsequent CEQA study.

### 6.8 SPECIFIC PLAN AMENDMENTS

Amendments to a Specific Plan may be requested by the

applicant or its successors. Amendments to the approved Plan shall be classified as major or minor amendments. Upon receipt of an amendment application, the Economic Development Director shall determine if the proposed amendment constitutes a major or minor amendment. Amendments to a Specific Plan may be requested by the applicant or its successors. Amendments to the approved Plan shall be classified as major or minor amendments. Upon receipt of an amendment application, the Economic Development Director shall determine if the proposed amendment constitutes a major or minor amendment

- A. *Major Amendments.* Major Amendments to an approved Specific Plan shall be considered by the Planning Commission and City Council at duly notice public hearings. An amendment will be deemed major if it involves one or more of the following changes:
  1. A change in the boundary of the Specific Plan;
  2. An increase in the number of dwelling units for the Specific Plan area that is greater than the maximum stated in the Specific Plan;
  3. An increase in the floor area for any non-residential land use that results in the floor area exceeding the minimum stated in the Specific Plan;
  4. Any change in land use or density that is likely to negatively impact or burden public facilities and utilities infrastructure as determined by the City Engineer;
  5. Any change in land use or density that is likely to negatively impact or burden circulation adjacent to the Specific Plan area or to the overall major street system, as determined by the City Engineer; or
  6. Any other proposed change to the Specific Plan or the conditions of approval that substantively alters one or more of its components as determined by the Economic Development Director.
- B. *Minor Amendments.* Amendments not meeting one or

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rehabilitation of existing historic resources, implementation of the Emerald Necklace concepts along the Rio Hondo River adjacent to the site, the integration of a pedestrian/trail system throughout the development and the establishment of pedestrian connections to adjacent commercial and residential areas.

Improve Connectivity - The existing Metro Transit Center stands as an isolated island in Downtown El Monte, with poor pedestrian connections to surrounding residential and commercial areas. As a result, utilization of mass transit is not as high as would normally be expected given the extensive transit resources and system connections available. The proper redevelopment of the Gateway site has potential to reconnect the various sections of El Monte, generating new economic activity and increasing bus ridership. If successful, the project could stimulate additional infrastructure investments, such as an underpass connection to the Transit Center to the Flair Park business center located south of Interstate 10 and pedestrian bridges connecting the Valley Mall to the east, that create even more connections to support Downtown El Monte.

Increase in Housing Supply - This project will provide badly needed housing in a region of severe overcrowding and extremely high housing costs. The Gateway Specific Plan will have a mix of housing types and sizes, designed to accommodate the needs of a diverse population. Of the 1,850 dwelling unit proposed, approximately 80% for sale and 20% will be rental. Because the site is located within the boundaries of the Downtown El Monte Project Redevelopment Area, a goal has been established to make 15% of the units affordable to low- and moderate-income households.

Creation of New Jobs for the Community - The mixed use nature of this project means that it will create significant employment opportunities for the residents of El Monte, both during and after completion of construction. There will be a broad range of occupational opportunities, from hourly retail, to service, to clerical and professional. The area will establish strategic alliances with the Rosemead-El Monte Adult School, the Rio Hondo Community College, the Workforce Improvement Board, and other service providers to identify job opportunities and recruit local residents into job training programs designed to qualify participants for the jobs that the project will create. An estimated 3000+ jobs are forecast to be created at this location based on the proposed retail commercial and office professional space forecast to be constructed at the area.

Establishment of a Regional Education Center- The project will contain a number of features designed to establish the area as a regional learning center. The project will include a child development center, a conference center adjacent to the hotel, and other facilities designed to provide lifetime learning opportunities to residents of the area as well as the larger community. In addition to the strategic alliances established to support job training programs, the area will include satellite classroom space for use by community colleges, Cal State Los Angeles, and other public educational institutions.

## Land Use Element



### Industrial Business Park

Industrial uses, like the one pictured above, typify the type and scale of development and floor area ratios desired in El Monte.



### Professional Office Park

Midrise offices in Flair Park represent the professional office land use designation.

### Mixed/Multiuse

This designation allows mixed/multiuse housing along corridors. Mixed/multiuses can be vertically integrated (e.g., commercial frontage with residential and/or office uses above the first floor) or horizontal (housing adjacent to commercial and office uses). The scale, size, and mix of land uses vary based on the location and character of surrounding land uses. Densities of 25 to 35 units per acre and/or FAR of up to 1.00 are allowed.

### Industrial Business Park

The Industrial Business Park designation is intended primarily for the Northwest Planning Area. Allowable uses include a mix of sustainable manufacturing, processing, office, warehousing, and distribution uses that generate employment, minimize traffic, and are compatible with residential neighborhoods. Supporting and limited retail uses are also allowed. Industrial uses are allowed at an intensity of up to 1.0 FAR.

### Downtown Core

The Downtown Core allows a range of land uses and development types that create a vibrant mixed-income and multiuse environment. Retail, civic facilities, office, entertainment, transit, hotels, light industrial, high density residential uses, daycare centers, public, and cultural facilities are allowable uses. The Downtown Core allows residential densities ranging from 0 to 25 units per acre and commercial intensities ranging from 0.0 to 1.5 FAR.

### El Monte Gateway

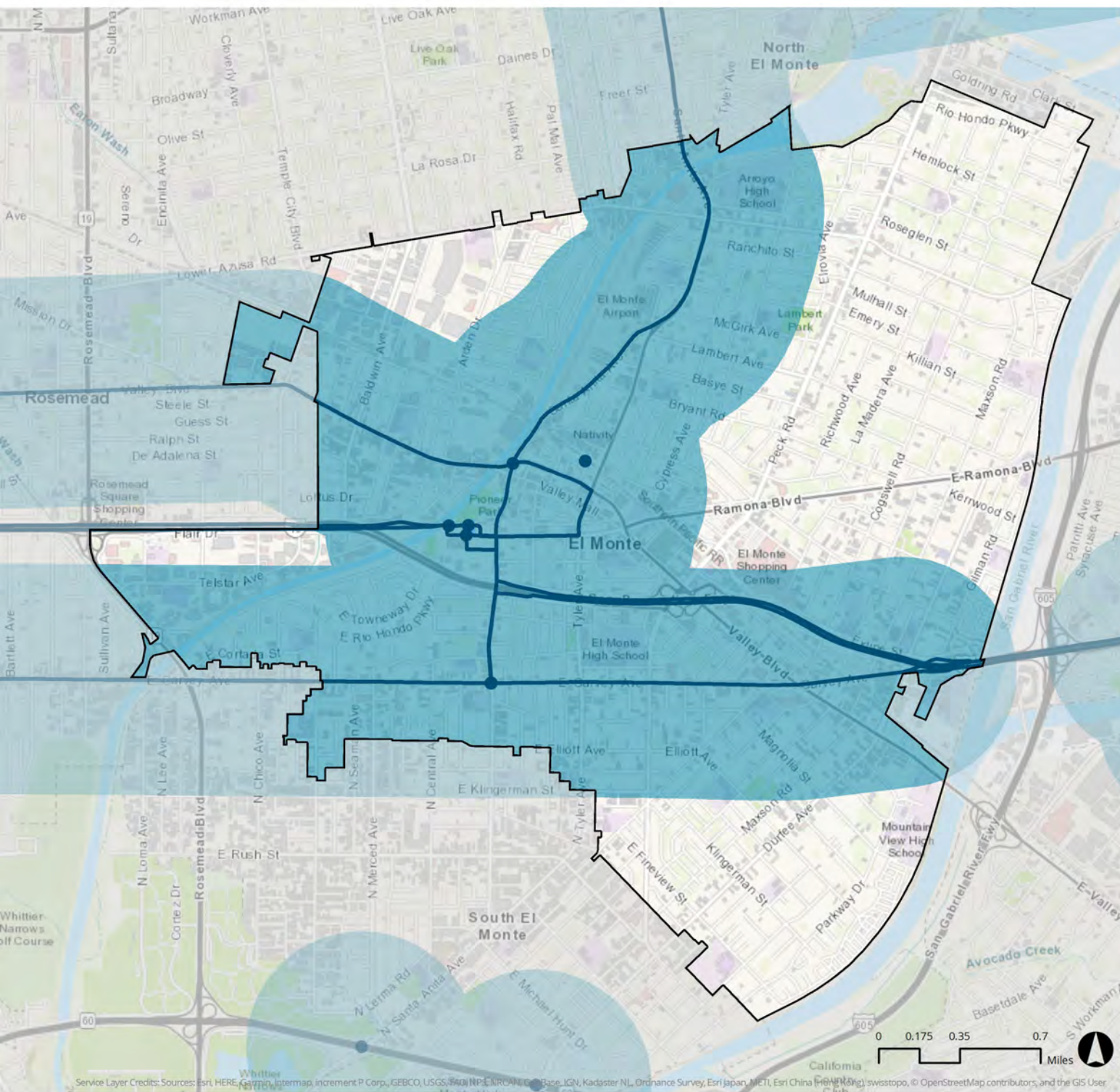
The El Monte Gateway Project applies primarily to an area comprised by the MTA Bus Terminal. Pursuant to a specific plan, this area is slated to provide up to 1,850 residential units, up to 1 million square feet of commercial, entertainment uses, and public parkland and open space. This project is intended to complement transit-oriented uses at the MTA station.

### Professional Office Park M-2

The Professional Office Park designation is intended for Flair Park. Typical uses envisioned for this area include national or regional offices, financial institutions, government, Fortune 500 companies, and medical-related offices. This area is intended for midrise office buildings with an FAR of up to 1.5 and limited supporting retail, services, hospitality, and other uses. Until a Specific Plan is prepared for the area, the FAR limits are 1.5 for buildings north of Telstar and 0.75 south of Telstar.

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## Major Transit Stops and High Quality Transit Areas in City of El Monte [Year 2045]

- Major Transit Stops
- ▬ High Quality Transit Corridors (HQTCS)
- High Quality Transit Areas (HQTAs)

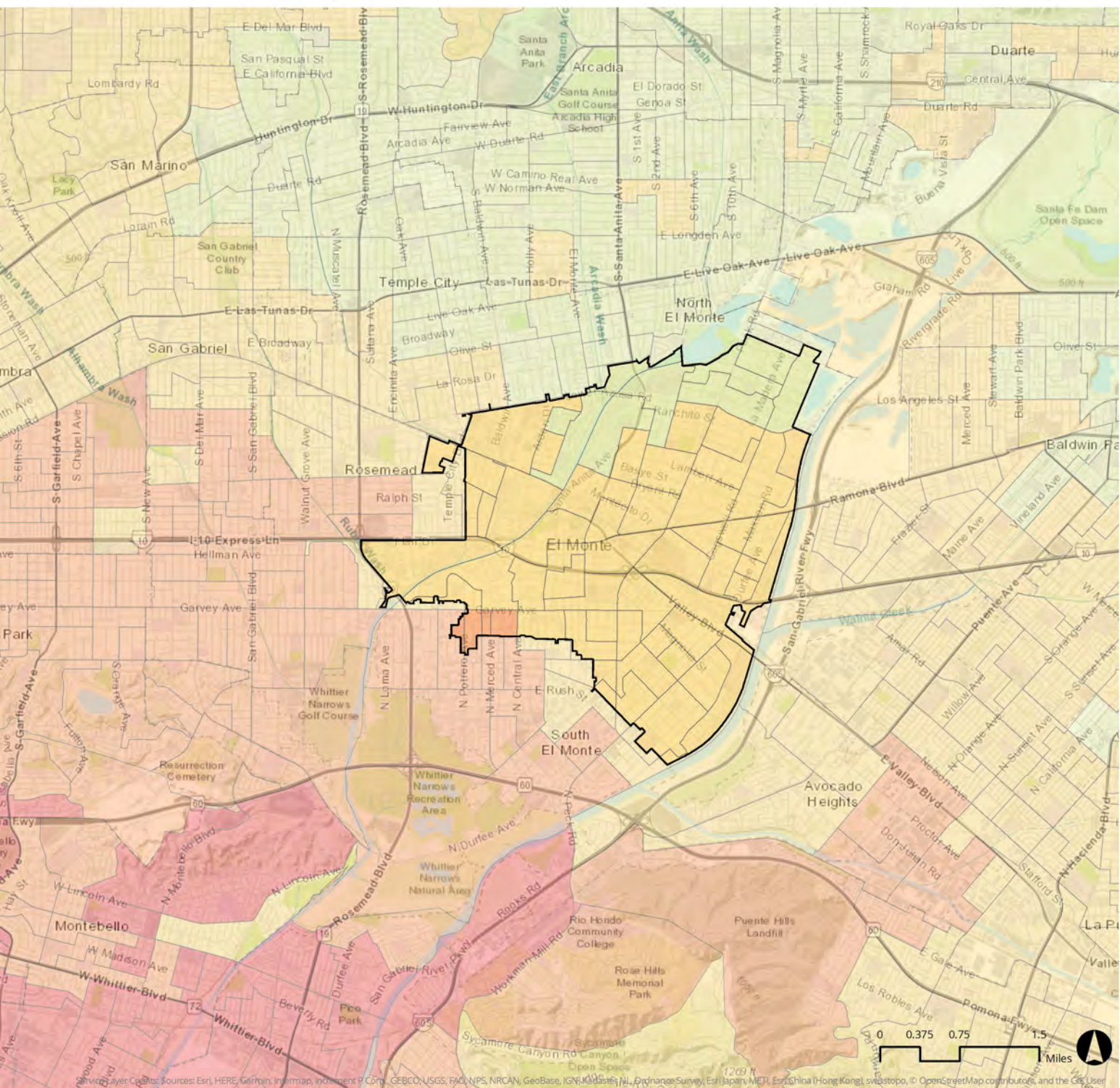
Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCS), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCS are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQA) is within one-half mile from Major Transit Stops and HQTCS and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of El Monte. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data please refer to the SCAG Data/Map Book at [connectsoocal.org/Pages/Local-Input-Process.aspx](https://connectsoocal.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).

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## TAZ-level job accessibility in and around: City of El Monte [Year 2045]



Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodology of this map, please refer to the SCAG Data/Map Book at <https://www.connectsocial.org/Pages/Local-Input-Process.aspx> or contact RTPLocal@scag.ca.gov

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**Data Input and Verification Form**  
**Bottom-Up Local Input and Envisioning Process**  
**2020 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS)**

Date: 10/01/18

Page 1

A - Contact & Background Information

This Represents Communication: From the Jurisdiction of EL MONTE to SCAG

Jurisdiction Contact Person: <u>TONY BU</u> Position: <u>ASSOCIATE PLANNER</u> Email: <u>TBU@ELMONTECA.GOV</u> Phone: <u>(626) 580-2152</u>	Background Information: <input type="checkbox"/> I am my Jurisdiction's City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (submitting on behalf of a jurisdiction's governing body) <input checked="" type="checkbox"/> I am a staff person from a local jurisdiction, submitting input under supervision of one of the persons identified above (see appropriate signature below)
Additional Background, if any, based upon Previous Communications:	

B - Action Items

We are seeking to (select all that apply):

Submit to SCAG:

<input checked="" type="checkbox"/> Provide Input on SCAG's Core Geographic Data	<input type="checkbox"/> Other, please specify _____
<input type="checkbox"/> Provide Input on SCAG's Core Demographic Data	_____
<input type="checkbox"/> Provide Input on Supplemental Data Elements	_____

C - Data Type

With Relation to SCAG's:

<b>Core Geographic Data:</b> <input checked="" type="checkbox"/> General Plan Land Use <input checked="" type="checkbox"/> Zoning <input checked="" type="checkbox"/> Existing Land Use <input checked="" type="checkbox"/> Specific Plan Land Use <input type="checkbox"/> Endangered Species and Plants* <input type="checkbox"/> Open Space and Parks* <input type="checkbox"/> Flood Areas* <input type="checkbox"/> Natural Community and Habitat Conservation Plans* <input type="checkbox"/> Farmland* <input type="checkbox"/> Coastal Inundation (Sea Level Rise)* <input type="checkbox"/> Major Stops and High Quality Transit Corridors* <input type="checkbox"/> Transit Priority Areas* <input type="checkbox"/> Regional Bikeways <input type="checkbox"/> Regional Truck Routes <input type="checkbox"/> City Boundary* <input type="checkbox"/> Sphere of Influence* <input type="checkbox"/> Census Tracts** <input type="checkbox"/> Transportation Analysis Zone (TAZ) Boundaries** <input type="checkbox"/> Entitlements <input type="checkbox"/> Potential Infill Sites	<b>Core Demographic Data:</b> <input type="checkbox"/> Population <input checked="" type="checkbox"/> Households <input checked="" type="checkbox"/> Employment Year: <input type="checkbox"/> 2016 <input type="checkbox"/> 2020 <input type="checkbox"/> 2030 (Input needed at jurisdictional level only) <input type="checkbox"/> 2035 <input type="checkbox"/> 2045 Geographic Level: <input checked="" type="checkbox"/> Jurisdictional Level <input checked="" type="checkbox"/> Transportation Analysis Zone (TAZ) <input type="checkbox"/> Other Geographic Level (Please Specify): _____																		
<b>Supplemental Data Elements (available for review June 2018):</b> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Zoning Overlay Areas</td> <td><input type="checkbox"/> Corridor Plans</td> </tr> <tr> <td><input type="checkbox"/> Community Design Overlays</td> <td><input type="checkbox"/> Special Districts</td> </tr> <tr> <td><input type="checkbox"/> Community Land Trusts</td> <td><input type="checkbox"/> Bike/Ped Volume Data***</td> </tr> <tr> <td><input type="checkbox"/> Historic Preservation Areas</td> <td><input type="checkbox"/> Ped Trails/Sidewalk Data***</td> </tr> <tr> <td><input type="checkbox"/> Bike Sharing Facilities</td> <td><input type="checkbox"/> Public Health Data***</td> </tr> <tr> <td><input type="checkbox"/> Bike Stations</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Car-Sharing Parking Sites</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Joint Public/Private Developments for Affordable Housing</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums</td> <td></td> </tr> </table>		<input type="checkbox"/> Zoning Overlay Areas	<input type="checkbox"/> Corridor Plans	<input type="checkbox"/> Community Design Overlays	<input type="checkbox"/> Special Districts	<input type="checkbox"/> Community Land Trusts	<input type="checkbox"/> Bike/Ped Volume Data***	<input type="checkbox"/> Historic Preservation Areas	<input type="checkbox"/> Ped Trails/Sidewalk Data***	<input type="checkbox"/> Bike Sharing Facilities	<input type="checkbox"/> Public Health Data***	<input type="checkbox"/> Bike Stations		<input type="checkbox"/> Car-Sharing Parking Sites		<input type="checkbox"/> Joint Public/Private Developments for Affordable Housing		<input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums	
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<input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums																			

\* These data elements are maintained by local, state, or federal entities, and SCAG will forward input received from jurisdictions to the appropriate source

\*\* These data elements are being provided as reference information as they are not open to revision (TAZ Boundaries and Census Tracts)

\*\*\* For these elements, SCAG is looking to obtain any available data; local review not needed

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Input on SCAG's Core Geographic Data (select all that apply):

- We have reviewed the selected Core Geographic Data and verify their accuracy
- We cannot verify the accuracy of certain data items at this time and would like to suggest the revisions described above

X         *B*          
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body)

Input on SCAG's Core Demographic Data (select all that apply):

- We have reviewed SCAG's Jurisdictional Level Demographic Data and can provide official approval
- We have reviewed SCAG's Tier 2 TAZ Demographic Data and can provide official approval
- We cannot provide official approval at this time, and would like to suggest revisions to the jurisdictional-level figures listed below with the following considerations (please select a reason and provide comments below. Optionally, documentation can also be submitted to SCAG)

- Infrastructure Capacity (e.g. sewer or water capacity)
- Available Land Capacity
- Special Housing Needs (e.g. farmworkers, student dormitories, etc.)
- Market Conditions (e.g. high number of residential vacancies)
- Historical Trends (e.g. Census and/or historical data)
- Economic Constraints (e.g. retail center closure)
- Other Factors (please specify)\*\*\*\* \_\_\_\_\_

	2016	2020	2030	2035	2045
Population					
Households	27,529	28,172	20,845	22,453	25,843
Employment	29,983	26,655	28,220	29,264	37,109

- We cannot provide official approval at this time, and would like to suggest revisions to the TAZ-level figures with the following considerations (please submit TAZ-level figures as an attachment to this form, select a reason, and provide comments below. Optionally, documentation can also be submitted to SCAG)

- Infrastructure Capacity (e.g. sewer or water capacity)
- Available Land Capacity
- Special Housing Needs (e.g. farmworkers, student dormitories)
- Market Conditions (e.g. high number of residential vacancies)
- Historical Trends (e.g. Census and/or historical data)
- Economic Constraints (e.g. retail center closure)
- Other Factors (please specify)\*\*\*\* \_\_\_\_\_

X         *B*          
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body)

\*\*\*\* Per State housing law, jurisdictions cannot use any ordinance, policy, voter-approved measure, or standard to justify a determination or reduction in share of regional housing need

Input on SCAG's Supplemental Data Elements (select all that apply):

- We have reviewed the selected Supplemental Data Elements and verify their accuracy
- We cannot verify the accuracy of the data at this time and would like to suggest the revisions described above
- We would like to submit supplemental data items for SCAG's database

X         *B*          
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body)

Comments (if applicable):

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Input was Submitted to SCAG via (select all that apply):

- SCAG's Scenario Planning Model - Data Management Site
- Email to SCAG's RTPLocalInput@scag.ca.gov
- In person communication with SCAG staff
- Hard copies that have been mailed to SCAG's offices
- Other, please specify \_\_\_\_\_

X         *B*          
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body)

D - Description of Action Items

E - Method of Submission

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Southern California Association of Governments  
Remote Participation Only  
January 11, 2021

**To:** Regional Housing Needs Assessment Subcommittee (RHNA)

**EXECUTIVE DIRECTOR'S  
APPROVAL**

**From:** Michael Gainor, Senior Regional Planner,  
(213) 236-1822, Gainor@scag.ca.gov

**Subject:** Appeal of the Draft RHNA Allocation for the City of San Dimas

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of San Dimas (the City) to reduce its Draft RHNA Allocation from 1,245 units to 245 units, a reduction of 1,000 units (80.3 percent).

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California’s policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of San Dimas (the City) requests a reduction of its Draft RHNA Allocation of 1,245 residential units based on the following issues:

- 1) Application of adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- 2) Availability of land suitable for urban development or for conversion to residential use
- 3) Lands protected from urban development under existing federal or state programs

**RATIONALE FOR STAFF RECOMMENDATION:**

SCAG staff have reviewed the appeal submitted by the City of San Dimas and recommend no change be made to the City’s RHNA allocation.

**Issue 1:** The appeal based on an improper application of the adopted RHNA methodology was not accepted because sufficient evidence was not provided that the City of San Dimas’ assigned share of regional housing need was the result of an improper application of the adopted RHNA allocation methodology.

**OUR MISSION**

*To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.*

**OUR VISION**

*Southern California’s Catalyst for a Brighter Future*

**OUR CORE VALUES**

*Be Open | Lead by Example | Make an Impact | Be Courageous*

**Issue 2:** The appeal based on a lack of available land suitable for urban development or conversion to residential use was not demonstrated to be a justifiable factor for reducing the City's RHNA allocation as local jurisdictions are required by RHNA law to consider other land use opportunities, in addition to existing vacant lands, for residential development.

**Issue 3:** The appeal based on lands protected from urban development by existing federal or state programs is not accepted because the presence of protected open space alone does not reduce a jurisdiction's housing need or preclude it from accommodating its RHNA housing need elsewhere.

## **BACKGROUND:**

### **Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the RHNA allocation for the City of San Dimas is provided below.

#### **Total RHNA Allocation for the City of San Dimas: 1,245 units**

Very Low Income: 383 units

Low Income: 219 units

Moderate Income: 206 units

Above Moderate Income: 437 units

Additional background information related to the draft RHNA allocation for the City of San Dimas is provided in Attachment 1.

### **Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period as described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of San Dimas. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.

- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 communicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which may result in a transfer of additional units to Long Beach.

#### ANALYSIS:

**Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].**

*The City of San Dimas argues that the adopted RHNA allocation methodology was not developed and applied in a manner that accurately reflects current conditions in San Dimas. Specifically, the City contends that the RHNA allocation methodology failed to adequately account for local data and information obtained through the local input process in the calculation of the City's draft allocation.*

*The City also asserts that local input is an important part of the RHNA planning process because it effectively links RHNA with the adopted RTP/SCS (Connect SoCal) through its support of the Sustainable Communities Strategy (SCS) in the identification of locations within the region sufficient to house an eight-year projection of regional housing need. However, as currently proposed, the City's Draft RHNA Allocation is inconsistent with the development pattern proposed in Connect SoCal since Connect SoCal projects approximately 200 households to be developed in San Dimas over the next 25 years, while the City's Draft RHNA Allocation assigns 1,245 housing units over the eight-year RHNA planning cycle.*

**SCAG Staff Response:** SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. Only an improper application of the adopted RHNA methodology provides an eligible basis for appeal. An example of an improper application of the methodology might be a data error identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of the Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors whereby housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and housing vacancy. The methodology makes extensive use of locally reviewed input data and describes the data sources and how they are

calculated in detail. On January 13, 2020, the Final RHNA Methodology was found by HCD to further the five statutory RHNA objectives<sup>1</sup>, largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

Attachment 1 also describes the extensive, 18-month Bottom Up Local Input and Envisioning Process whereby SCAG met one-on-one with all 197 local jurisdictions to solicit growth forecast and other information. However, local input regarding a jurisdiction's growth forecast was never intended to be equivalent to a RHNA allocation. The City of San Dimas did provide updated household growth forecast information which were included in the Connect SoCal forecast which were lower than SCAG's initial estimates, and this local input resulted in a lower RHNA calculation. However, in order to meet the five RHNA objectives and accommodate 1.34 million housing units regionwide, other factors need to be considered.

Ultimately, the RHNA allocation of housing need is a distinct process from Connect SoCal and its associated forecast (which relies heavily on local input). The RHNA requirements address the mandate to plan for housing units to further the statutory objectives. Actual housing production depends on a variety of factors external to the identification of need through RHNA—local jurisdictions frequently have sufficient zoned capacity, but actual housing construction depends on market and other external forces. In contrast, the Connect SoCal Growth Forecast is an assessment of the reasonably foreseeable future pattern of growth given, among various other factors, the availability of zoned capacity and market demand and other external forces. Ultimately, it is this difference between these processes which accounts for the difference between the reasonably foreseeable household growth rate included in Connect SoCal and development of the capacity targets envisioned by RHNA for San Dimas.

While it is not directly related to the basis for appeal cited (application of the methodology), San Dimas questions the consistency between the RHNA allocation and Sustainable Communities Strategy (SCS) objectives. In addition to the process differences discussed above, the RHNA process only permits SCAG to allocate jurisdiction-level totals (by income category), whereas the RTP/SCS requires SCAG to model future transportation patterns and greenhouse gas (GHG) emission impacts, which requires an estimate of where within a jurisdiction future growth may be expected to occur. As such, the RHNA process requires adapting Connect SoCal's key policy direction in order

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<sup>1</sup> The five RHNA objectives are: 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 (Govt. Code § 65584(d)).



to ensure that development patterns are generally consistent across the two processes. For example, Connect SoCal achieves its jobs-housing balance objectives in part by envisioning a set of 72 individual job centers across the region; however, this process relies on within-jurisdiction predictions of where development will be located. The final RHNA process adapts this concept by developing a measure of job accessibility at the jurisdictional level—using Connect SoCal data—to ensure consistent strategic and policy direction. This consistent strategic and policy direction results in the Final RHNA Methodology and the Draft RHNA Allocation’s consistency with the development patterns identified in the SCS, pursuant to Government Code section 65584.04(m)(1):

“It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the Sustainable Communities Strategy.”

For further discussion, see Attachment 1 and Connect SoCal Master Response 1:

[https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial\\_public-participation-appendix-2.pdf](https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_public-participation-appendix-2.pdf)

Finally, the City of San Dimas notes that their annual population growth rate over 2000-2020 was lower than that of the SCAG region (0.2 percent versus 0.7 percent) and that only 52 permits were issued for new building development in the City from 2014-2019. However, Government Code section 65584.04(g)(2) and (3) specifically prohibit SCAG from determining a jurisdiction’s share of housing need or reducing a jurisdiction’s share of housing need based on prior underproduction from the previous RHNA allocation or stable population numbers from the previous RHNA cycle.

Since the City did not provide sufficient evidence that the adopted RHNA methodology was applied improperly, SCAG staff does not recommend a reduction to the City of San Dimas’ RHNA allocation on this basis.

***Issue 2: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].***

*Although there exists some vacant land within the City of San Dimas, much of this land is not viable for new residential development due to unstable geological conditions and steeply sloped locations in the foothills of the San Gabriel Mountains that render significant urban development unfeasible. San Dimas is a largely built-out city and the draft RHNA allocation for the City is not achievable due to these land availability restrictions.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality” (which includes the land use policies in its

General Plan). “Available land suitable for urban development or conversion to residential use”, as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are to be considered components of “available” land. As further indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and unzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other opportunities for residential development. These opportunities may include assessment of the availability of underutilized land, opportunities for infill development and increased residential densities, or implementation of alternative zoning and density policies. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City’s projected growth. For this reason, SCAG does not recommend a RHNA reduction based on this factor.

***Issue 3: Lands protected from urban development under existing federal or state programs [Government Code Section 65584.04(e)(2)(C)].***

*Much of the open space located in the northern foothills area of the City of San Dimas is subject to development restrictions as a result of State of California Department of Fish and Game designated endangered plant and animal habitat and watershed open space preservation areas. These restrictions preclude the City from developing these areas to accommodate its Draft RHNA Allocation.*

**SCAG Staff Response:** It is presumed that planning factors such as lands protected by federal and state programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was provided in the City’s appeal that the status of these areas has changed since the most recent local input was provided in February 2018. In addition, while the City has indicated that it is unable to accommodate residential development in these specific areas, no evidence has been provided to demonstrate that San Dimas is not able to accommodate its RHNA allocation in other areas or through the use of other land use strategies or policies. The presence of protected open space alone does not reduce housing need nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these reasons, SCAG staff does not recommend a reduction to the City of San Dimas’ Draft RHNA Allocation based on this factor.

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**FISCAL IMPACT:**

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

**ATTACHMENT(S):**

1. Attach 1\_Local Input\_Draft RHNA Allocation\_San Dimas
2. Attach 2\_Appeal Letter\_San Dimas
3. Attach 3\_Appeal Request Form\_San Dimas
4. Attach 4\_Data Verification Form\_San Dimas
5. Attach 5\_Local Input\_San Dimas
6. Attach 6\_TAZ Map\_San Dimas
7. Attach 7\_Vacant Land\_San Dimas
8. Attach 8\_2045 HQT Map\_San Dimas
9. Attach 9\_2045 Job Access Map\_San Dimas

## Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment describes the nature and timing of the opportunities the City of San Dimas had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the 2020 RTP/SCS (Connect SoCal) Growth Vision. It also describes the process by which the RHNA methodology development process integrated this information to develop the City of San Dimas’ Draft RHNA Allocation.

### 1. Local input

#### a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data in preparation for development of Connect SoCal and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast, as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of San Dimas, the projected number of households in 2020 was 12,189 and in 2030 was 12,344 (growth of 155 households). In February 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of San Dimas on the growth forecast was received in October 2018. Following input, the City’s household

<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>

projections were revised to 12,163 in 2020 and 12,218 in 2030, for a reduced growth forecast over this period of 55 households.

**b. RHNA Methodology Surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of San Dimas submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**c. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG’s Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region’s GHG reduction targets, as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council’s decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG’s Scenario Planning Model Data Management (SPM-DM) site at: <http://spmdm.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to

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the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of San Dimas which differed from the Growth Vision.

## 2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- (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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the*

*statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).*

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology, which relied almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### 3. Draft RHNA Allocation for the City of San Dimas

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of San Dimas received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of San Dimas as summarized in the data and calculations featured in the table below.

<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1:

[https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

City of San Dimas Statistics and Inputs		Calculation of Draft RHNA Allocation for San Dimas	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	45	Forecasted household (HH) growth, RHNA period:	45
Percent of households who are renting:	28%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	1
Housing unit loss from demolition (2009-18):	3	Replacement Need:	3
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	182	TOTAL PROJECTED NEED:	50
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	10.46%	Existing need due to job accessibility (50%):	562
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,051,000	Existing need due to HQTAs pop share (50%):	530
Share of region's job accessibility (population weighted):	0.13%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	103
Jurisdiction's HQTAs population (2045):	12,960	TOTAL EXISTING NEED:	1,196
Share of region's HQTAs population (2045):	0.13%	<b>TOTAL RHNA FOR THE CITY OF SAN DIMAS:</b>	<b>1,245</b>
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	383
Share of population in very high-resource tracts:	0.91%	Low income (50-80% of AMI):	219
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	206
		Above moderate income (>120% of AMI):	437

The transit accessibility measure is based on the population projected to live within 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 12,960 living within HQTAs, the City of San Dimas is projected to account for 0.13 percent of the SCAG region's total 2045 HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs that are accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from a local jurisdiction's median TAZ is used to allocate



housing units based on job accessibility. From the City of San Dimas' median TAZ, it will be possible to reach 10.46 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,051,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the SCAG region which are considered 'Disadvantaged Communities' (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions in order to ensure that housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 103 units assigned to the City of San Dimas.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.

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City Council  
EMMETT BADAR, Mayor  
RYAN A. VIENNA, Mayor Pro Tem  
DENIS BERTONE  
JOHN EBINER  
ERIC WEBER

Interim City Manager  
BRAD Mc KINNEY

Director of  
Community Development  
HENRY K. NOH

Director of Public Works  
SHARI GARWICK

Director of Parks and  
Recreation  
HECTOR M. KISTEMANN

City Attorney  
JEFF MALAWY

October 23, 2020

RHNA Appeals Board  
Southern California Association of Governments  
900 Wishire Blvd., Ste. 1700  
Los Angeles, CA 90017

**Subject: Regional Housing Needs Assessment (RHNA) Appeal**

Dear RHNA Appeals Board Members:

The City of San Dimas appreciates the opportunity to appeal the 1,245 RHNA housing units allocated to our City for the 6<sup>th</sup> Housing Element Update Cycle. The City of San Dimas understands and supports the need to construct additional housing within our State, but strongly believes that local input is imperative in generating a successful plan. We feel the RHNA methodology lacks certain considerations that would have a devastating impact not only on our jurisdiction, but the character of all jurisdictions within our region. The City of San Dimas is a built-out city and any new developments can only happen with the demolition of existing developed properties that mainly consist of commercial, office or industrial developments. Therefore, the demolition of these properties would create an imbalance between jobs and housing in our community. We recognize the challenge of establishing an equitable methodology to redistribute the 1.34 million housing units among 197 jurisdictions; however, the decision to cast aside the previous cooperative input and progress between Southern California Association of Governments (SCAG) and local jurisdictions is truly disappointing.

Local input ensures consistency between RHNA and the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) (also known as Connect SoCal) as required by Government Code Section 65584.04(m). As currently proposed, the draft RHNA methodology calculation would not be consistent with the development patterns proposed in the Connect SoCal Plan and its Program Environmental Impact Report (PEIR). For example, Connect SoCal projects approximately 200 households to be developed over the next 25 years in the City of San Dimas; however, the draft RHNA assigns 1,245 housing units within the next eight-year planning cycle (2021-2029). The City of San Dimas requests that SCAG amend the RHNA methodology to reinstate local input as a planning factor within the methodology calculation. The regional determination of 1.34 million housing units combined with an inequitable RHNA methodology are setting up local jurisdictions for failure to comply with state housing law. There are three areas the City is basing its appeal of our RHNA obligation:

1. Adopted Methodology;

245 EAST BONITA AVENUE • SAN DIMAS • CALIFORNIA 91773-3002 • [909] 394-6200 • FAX [909] 394-6209

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2. Availability of land suitable for urban development or for conversion to residential use; and
3. Lands that are protected from urban development under existing federal or state programs.

We request that the RHNA Appeals Board reduce the City of San Dimas' RHNA allocation of 1,245 residential units. It is imperative that the RHNA be finalized in a way that is equitable and attainable by all communities in responding to the State's housing crisis.

The City recognizes and appreciates the time and effort provided by everyone on this important and complex issue and for your consideration of our appeal. Please let me know if you need any additional clarification or have any questions.

Sincerely,



Henry K. Noh  
Director of Community Development

Cc: City Council  
Brad McKinney, Acting City Manager

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**Revision Request  
Sixth Cycle Regional Housing Needs Assessment**

**Submitted by: City of San Dimas  
Contact: Henry Noh, Community Development Director  
October 22, 2020**

To the RHNA Appeals Board:

As you may be aware, over the past several years the City of San Dimas has taken great interest in SCAG's preparation of the region's growth forecast and its relationship to the Regional Housing Needs Assessment (RHNA). The City appreciates SCAG's efforts in working with local jurisdictions and giving us the opportunity to comment on the Draft RHNA numbers and methodology.

Upon reviewing SCAG's Draft RHNA allocation, the City believes that there is a need for a reduction. This need is based upon 2 of the local planning factors outlined in Govt. Code 65584.04(e) and the fact that the current allocation is disproportional to the RHNA allocation that SCAG developed in 2014. While the City's request may seem to be insignificant when considering the magnitude of the RHNA allocation region wide, it is imperative for a small City such as San Dimas to ensure that its projected need is as accurate as possible as it has a direct relationship to the City's efforts in development. We also believe the trend in household growth, employment growth and building activity are overstated.

**Item 1:**

***"Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)***

We feel that local input has been an important part of the SCAG's RHNA planning process. It allows us, as a city, to provide a real perspective of local housing opportunities and constraints at the city level. Each city is different and a one-size-fits-all RHNA allocation factor does not allow each city to identify areas that are difficult to develop and/or not is compatible for residential uses. Local input provides the backbone, linking the RHNA to the RTP/SCS by supporting the Sustainable Communities Strategy in identifying areas within the region sufficient to house and eight-year projection of the regional housing need.

We support the bottom-up approach SCAG previously used to derive local input over a 1 ½ year long process in which SCAG solicited input from all 197 local jurisdictions on population, housing, and employment for 2016-2045; parcel level General Plan uses; existing 2016 Land Uses; and Zoning; in addition to the extensive surveys collected on policies and best practices incorporated into local planning. By utilizing local input, Connect SoCal, integrates transportation and land use planning, which gives a better picture of each city's development capabilities.

The City of San Dimas submitted projected growth number to SCAG staff as part of the Connect SoCal process, in addition to the RHNA process. The selected RHNA methodology therefore should ensure that any number assigned to the city captures, at a minimum, the number of units our city identified through the local planning process.

After conducting our research and review of resources that were used or developed from SCAG, for example, the Pre-Certified Local Housing Data for San Dimas document. The information in the

document confirms trends that are decreasing in population and housing from 2015 to 2020. The table on Population Trend 2000-2020 showed that over this period, San Dimas had an annual growth rate of -0.2% compared to the 0.7% for the region.

The Local Housing Data document also shared estimates of Employment by Industry that was derived by the American Community Survey 2014-2018 5-year estimates. The document shared an employed number of 16,535 but did not share that the margin of error totaled approximately 3,484, which brings the employed number down to approximately 13,051, closer to the number that the City shared are part of our local input (see Attachment A). I've also attached a Labor Market Snapshot from the EDD where we are at as of September 2020 (see Table 1)

**Table 1:**

State of California					Employment Development Department	
October 16, 2020					Labor Market Information Division	
March 2019 Benchmark					<a href="http://www.labormarketinfo.edd.ca.gov">http://www.labormarketinfo.edd.ca.gov</a>	
					(916) 262-2162	
<b>Monthly Labor Force Data for Cities and Census Designated Places (CDP)</b>						
<b>September 2020 - Preliminary</b>						
<b>Data Not Seasonally Adjusted</b>						
	<b>Labor</b>	<b>Employ-</b>	<b>Unemployment</b>		<b>Census Ratios</b>	
<b>Area Name</b>	<b>Force</b>	<b>ment</b>	<b>Number</b>	<b>Rate</b>	<b>Emp</b>	<b>Unemp</b>
Los Angeles County	4,942,400	4,196,300	746,100	15.1%	1.000000	1.000000
San Dimas city	16,800	14,800	2,000	12.1%	N/A	N/A

Another category that is low are our homelessness numbers that ranged from 0 to 11 during the last 5 years.

The California housing market will continue to recover very from high unemployment and a tough economic environment. The building activity in the City is very slow. After reviewing our permit records, we show activity from January 1, 2014 to December 31, 2019, with only 52 permits pulled for new building development in total (see Table 2).

**Table 2:**

<u>Year</u>	<u># New Built</u>
2014	3
2015	7
2016	18
2017	7
2018	2
2019	15

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We wanted to share these statistics to show how important that the local input process is to our city. It's important to us that we let it known that there will be significant repercussions for us because the allocation distribution is not a achievable. An allocation approach that emphasizes the factors that are critical for our city and being able to achieve is what we are hopeful for.

**Item 2.c:**

***“Availability of land suitable for urban development or for conversion to residential use.”*** Although there is some vacant land remaining in the City, a large portion of the land is constrained by existing geological unstable areas that are within the City’s boundary, steep slopes that prohibit development and utility connections, and other public lands that would not permit residential developments since they serve to protect State and federally protected habitat. This area encompasses approximately 500 acres in the northern San Dimas Foothills. Further, steep slopes and valleys that contain “Blue Line Streams” as defined by the U.S. Army Corp of Engineers are prevalent throughout this area. Many private property lots adjoin the Angeles National Forest. The Northern Foothills area includes seven canyons and associated ridges. Wildlife currently travel north, east and south through the canyons and ridges. The area includes essential habitat linkages, five permanent water sources, water recharge, provides critical open space, a vital habitat for sensitive and endangered species, and a critical corridor buffer between the urban edge and the Angeles National Forest.

The topography and potential for landslides further limits the availability for additional development and housing. As such, these physical constraints to development limit the City’s ability to provide the housing opportunities identified by SCAG.

The city was also provided a spreadsheet from SCAG staff requesting us to review and comment on the 200+ infill and vacant parcels that they saw as available for housing development (See Attachment B). After review of the parcels, just about 90% of these parcels were privately owned with primary homes located on the parcels. The other 10% were publicly owned by LA City Department of Water and Power; LA County Flood Control District (flood channel area); Park & Ride Parking Lot; and a couple of other parcels that were since sold for commercial development.

The land uses should be developable and usable areas. Many of the parcels that we reviewed from SCAG were unsuitable or unavailable for residential uses and should not be included in the area denominator.

**Item 2.d:**

***“Lands protected from urban development under existing federal or state programs”***

Most of the Northern Foothills areas in San Dimas are home to endangered, threatened and rare plant and animal species as outlined by the California Department of Fish and Game. These areas are also part of the SEA (Significant Ecological Area). These properties are the last significant undeveloped hillside parcels remaining in private hands. They include major sensitive species habitat for endangered plants and wildlife as well as critical watershed open space and view shed resources for the City. The City’s ability to provide the housing opportunities identified by SCAG cannot be accomplished due to these limitations which are consistent the local planning factors outlined in the 6<sup>th</sup> RHNA Cycle Appeals Procedures.

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In addition, during the RHNA planning period, our population growth rate is only expected to increase approximately 1% and our employment growth rate to increase approximately 6%. Our allocation numbers should reflect these figures and be revised to a much lower amount.

The City is requesting a revision to our allocations by taking a closer look at the City's growth trends (past and future). The City hopes that the Appeals Board will consider our request for review and reduce our allocation to show proportionality that reflects our historical, current and future needs.

We understand at this time, there are no penalties for a city not to reach its RHNA target. However, based upon the continuing housing crisis in the State and proposed legislation, we would expect that in the future, there may be legislation that would penalize a City for non-compliance. In lieu of this potentiality, we are requesting these revisions to our allocations. *(See attached Growth Map-Transportation Analysis Zones – Attachment C)*

In summary, the City believes that it is very important for SCAG to take into consideration the issues raised within this Appeal request. The City appreciates the opportunity to work with SCAG in addressing the RHNA allocations.

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**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scag.ca.gov](mailto:housing@scag.ca.gov).*  
*Late submissions will not be accepted.*

Date: 10/15/20 Jurisdiction Subject to This Appeal Filing: City of San Dimas  
*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD) City of San Dimas

Filing Party Contact Name Henry Noh

Filing Party Email: hnoh@sandimasca.gov

**APPEAL AUTHORIZED BY:**

Name: Henry Noh

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: Community Development Director

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region's greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date: \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

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**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scag.ca.gov](mailto:housing@scag.ca.gov).*  
*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

We feel the RHNA methodology lacks certain considerations that would have a devastating impact not only on our jurisdiction, but the character of all jurisdictions within our region. The City of San Dimas is a built-out city and any new developments can only happen with the demolition of existing developed properties that mainly consist of commercial, office or industrial developments. Therefore, the demolition of these properties would create an imbalance between jobs and housing in our community.

Local input ensures consistency between RHNA and the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) (also known as Connect SoCal) as required by Government Code Section 65584.04(m). As currently proposed, the draft RHNA methodology calculation would not be consistent with the development patterns proposed in the Connect SoCal Plan and its Program Environmental Impact Report (PEIR).

**Brief Description of Appeal Request and Desired Outcome:**

Upon reviewing SCAG's Draft RHNA allocation, the City is requesting a reduction in our allocation based upon three factors: adopted Methodology; availability of land suitable for urban development or for conversion to residential use; and lands protected from urban development under existing federal or state programs. It is imperative to ensure that our projected need is as accurate as possible as it has a direct relationship to the City's efforts in development. The City requests for a reduction of our allocation to proportionally show a reflection of our historical, current and future needs as shown in our TAZ growth forecast submitted to SCAG staff.

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced 1000 \_\_\_\_\_ Added

**List of Supporting Documentation, by Title and Number of Pages**

**(Numbers may be continued to accommodate additional supporting documentation):**

1. Attachment A - Revision Request Letter (6 Pages)
2. Attachment B - Local Input submittal (1 Page)
3. Attachment C - SCAG Infill and Vacant Parcel List-Final (4 Pages)
4. Attachment D - TAZ Growth Forecast (1 Page)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

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**Data Input and Verification Form**  
**Bottom-Up Local Input and Envisioning Process**  
**2020 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS)**

Date: October 1, 2018

Page 1

A - Contact & Background Information

From the Jurisdiction of City of San Dimas to SCAG

Jurisdiction Contact Person: <u>Larry Stevens</u> Position: <u>Assistant City Manager</u> Email: <u>lstevens@ci.san-dimas.ca.us</u> Phone: <u>909-394-6281</u>	Background Information: <input checked="" type="checkbox"/> I am my Jurisdiction's City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (submitting on behalf of a jurisdiction's governing body)  <input type="checkbox"/> I am a staff person from a local jurisdiction, submitting input under supervision of one of the persons identified above (see appropriate signature below)
Additional Background, if any, based upon Previous Communications: <u>Ann Garcia - 909/394-6282 agarcia@ci.san-dimas.ca.us</u>	

B - Action Items

**We are seeking to (select all that apply):**

**Submit to SCAG:**

<input checked="" type="checkbox"/> Provide Input on SCAG's Core Geographic Data	<input type="checkbox"/> Other, please specify _____
<input checked="" type="checkbox"/> Provide Input on SCAG's Core Demographic Data	_____
<input checked="" type="checkbox"/> Provide Input on Supplemental Data Elements	_____

C - Data Type

<p><b>Core Geographic Data:</b></p> <input checked="" type="checkbox"/> General Plan Land Use <input checked="" type="checkbox"/> Zoning <input checked="" type="checkbox"/> Existing Land Use Specific Plan <input type="checkbox"/> Land Use Endangered Species <input type="checkbox"/> Land Plants* Open Space and <input checked="" type="checkbox"/> Parks* <input type="checkbox"/> Flood Areas* <input type="checkbox"/> Natural Community and Habitat Conservation Plans* <input type="checkbox"/> Farmland* <input type="checkbox"/> Coastal Inundation (Sea Level Rise)* <input type="checkbox"/> Major Stops and High Quality Transit Corridors* <input type="checkbox"/> Transit Priority Areas* <input type="checkbox"/> Regional Bikeways <input type="checkbox"/> Regional Truck Routes <input type="checkbox"/> City Boundary* <input type="checkbox"/> Sphere of Influence* <input type="checkbox"/> Census Tracts** <input checked="" type="checkbox"/> Transportation Analysis Zone (TAZ) Boundaries** <input type="checkbox"/> Entitlements <input type="checkbox"/> Potential Infill Sites	<p><b>Core Demographic Data:</b></p> <input checked="" type="checkbox"/> Population <input checked="" type="checkbox"/> Households <input checked="" type="checkbox"/> Employment Year: <input checked="" type="checkbox"/> 2016 <input checked="" type="checkbox"/> 2020 <input checked="" type="checkbox"/> 2030 (Input needed at jurisdictional level only) <input checked="" type="checkbox"/> 2035 <input checked="" type="checkbox"/> 2045 Geographic Level: <input type="checkbox"/> Jurisdictional Level <input checked="" type="checkbox"/> Transportation Analysis Zone (TAZ) <input type="checkbox"/> Other Geographic Level (Please Specify): _____																		
<p><b>Supplemental Data Elements (available for review June 2018):</b></p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Zoning Overlay Areas</td> <td><input type="checkbox"/> Corridor Plans</td> </tr> <tr> <td><input type="checkbox"/> Community Design Overlays</td> <td><input type="checkbox"/> Special Districts</td> </tr> <tr> <td><input type="checkbox"/> Community Land Trusts</td> <td><input type="checkbox"/> Bike/Ped Volume Data***</td> </tr> <tr> <td><input type="checkbox"/> Historic Preservation Areas</td> <td><input type="checkbox"/> Ped Trails/Sidewalk Data***</td> </tr> <tr> <td><input type="checkbox"/> Bike Sharing Facilities</td> <td><input type="checkbox"/> Public Health Data***</td> </tr> <tr> <td><input type="checkbox"/> Bike Stations</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Car-Sharing Parking Sites</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Joint Public/Private Developments for Affordable Housing</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums</td> <td></td> </tr> </table>		<input type="checkbox"/> Zoning Overlay Areas	<input type="checkbox"/> Corridor Plans	<input type="checkbox"/> Community Design Overlays	<input type="checkbox"/> Special Districts	<input type="checkbox"/> Community Land Trusts	<input type="checkbox"/> Bike/Ped Volume Data***	<input type="checkbox"/> Historic Preservation Areas	<input type="checkbox"/> Ped Trails/Sidewalk Data***	<input type="checkbox"/> Bike Sharing Facilities	<input type="checkbox"/> Public Health Data***	<input type="checkbox"/> Bike Stations		<input type="checkbox"/> Car-Sharing Parking Sites		<input type="checkbox"/> Joint Public/Private Developments for Affordable Housing		<input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums	
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<input type="checkbox"/> Car-Sharing Parking Sites																			
<input type="checkbox"/> Joint Public/Private Developments for Affordable Housing																			
<input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums																			

\* These data elements are maintained by local, state, or federal entities, and SCAG will forward input received from jurisdictions to the appropriate source

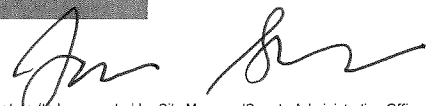
\*\* These data elements are being provided as reference information as they are not open to revision (TAZ Boundaries and Census Tracts)

\*\*\* For these elements, SCAG is looking to obtain any available data; local review not needed

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**Input on SCAG's Core Geographic Data (select all that apply):**

- We have reviewed the selected Core Geographic Data and verify their accuracy
- We cannot verify the accuracy of certain data items at this time and would like to suggest the revisions described above

X   
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body))

**Input on SCAG's Core Demographic Data (select all that apply):**

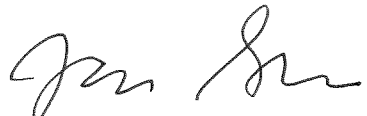
- We have reviewed SCAG's Jurisdictional Level Demographic Data and can provide official approval
- We have reviewed SCAG's Tier 2 TAZ Demographic Data and can provide official approval
- We cannot provide official approval at this time, and would like to suggest revisions to the jurisdictional-level figures listed below with the following considerations (please select a reason and provide comments below. Optionally, documentation can also be submitted to SCAG)

- Infrastructure Capacity (e.g. sewer or water capacity)
- Available Land Capacity
- Special Housing Needs (e.g. farmworkers, student dormitories, etc.)
- Market Conditions (e.g. high number of residential vacancies)
- Historical Trends (e.g. Census and/or historical data)
- Economic Constraints (e.g. retail center closure)
- Other Factors (please specify)\*\*\*\* \_\_\_\_\_

	2016	2020	2030	2035	2045
Population	33850	34103	34320	34500	35031
Households	12121	12181	12241	12280	12340
Employment	11304	11980	12279	12585	12943

- We cannot provide official approval at this time, and would like to suggest revisions to the TAZ-level figures with the following considerations (please submit TAZ-level figures as an attachment to this form, select a reason, and provide comments below. Optionally, documentation can also be submitted to SCAG)

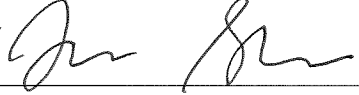
- Infrastructure Capacity (e.g. sewer or water capacity)
- Available Land Capacity
- Special Housing Needs (e.g. farmworkers, student dormitories)
- Market Conditions (e.g. high number of residential vacancies)
- Historical Trends (e.g. Census and/or historical data)
- Economic Constraints (e.g. retail center closure)
- Other Factors (please specify)\*\*\*\* \_\_\_\_\_

X   
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body))

\*\*\*\* Per State housing law, jurisdictions cannot use any ordinance, policy, voter-approved measure, or standard to justify a determination or reduction in share of regional housing need

**Input on SCAG's Supplemental Data Elements (select all that apply):**

- We have reviewed the selected Supplemental Data Elements and verify their accuracy
- We cannot verify the accuracy of the data at this time and would like to suggest the revisions described above
- We would like to submit supplemental data items for SCAG's database

X   
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body))

**Comments (if applicable):**

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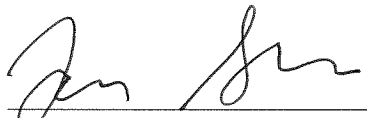
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**Input was Submitted to SCAG via (select all that apply):**

- SCAG's Scenario Planning Model - Data Management Site
- Email to SCAG's RTPLocalInput@scag.ca.gov
- In person communication with SCAG staff
- Hard copies that have been mailed to SCAG's offices
- Other, please specify \_\_\_\_\_

X   
 Signature (to be executed by City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (on behalf of a jurisdiction's governing body))

D - Description of Action Items

E - Method of Submission

5 HUW a Ybh 5 HUW ( S8 UHUJ YfJZVUJfcb : cfa SGUB 8 Ja Ug f5 ddYU cZH Y 8 fUZIF < B5 5 cWUJfcb Zf f h Y 7 JmfcZGub 8 Ja Ug

**CITY OF SAN DIMAS: DEMOGRAPHIC DATA – LOCAL INPUT**

TAZ	Housing Units (Growth – 219)				Employment (Growth numbers)			
	2020	2030	2035	2045	2020	2030	2035	2045
20397100	0	0	0	0	0	0	0	0
22417100	10	30	25	0	325	335	342	350
22412100	0	0	0	0	150	189	192	195
22417200	0	0	0	0	885	915	922	930
22410100	19	13	36	0	1025	1035	1085	1100
22415100	0	0	0	0	25	30	31	33
22395100	4	6	0	0	1063	1074	1092	1120
22410200	0	0	40	0	1015	1023	1035	1042
22415200	0	0	0	0	1985	1995	2013	2085
22409100	0	0	0	0	2063	2125	2195	2267
22410300	0	0	0	0	2871	2947	3022	3145
22415300	0	0	20	0	8	9	9	9
22390200	0	0	0	0	55	58	65	70
22413100	0	7	0	0	20	22	22	25
22413300	0	0	0	0	195	215	225	228
22413400	3	3	3	0	110	115	120	125
22413200	0	0	0	0	185	192	215	219
<b>TOTALS</b>	<b>36</b>	<b>59</b>	<b>124</b>	<b>0</b>	<b>11980</b>	<b>12279</b>	<b>12585</b>	<b>12943</b>



**ATTACHMENT C**

scaguid16	APN	VACANT	Private	Public	NOTES
372043464	8661-013-906	vacant		x	San Dimas Wash
372043461	8661-013-055	vacant	x		Resident home
372043479	8661-014-022	vacant	x		Lee Carr and Chrissinda Lewis: 211 E Baseline Rd
372043551	8661-017-008	vacant	x		Brigitte Montmarquet: 315 E. Baseline Rd.
372043601	8661-018-049	vacant	x		Ilan & Janet Ballesteros: 1131 N. Dixie Dr. (their front yard)
372043571	8661-018-001	vacant	x		Leslie and Pamela Hejns: 1149 N. Dixie Dr. (their back yard)
372043604	8661-019-001	vacant	x		Bela and Pamela Laszlo:
372043597	8661-018-043	vacant	x		Bela and Pamela Laszlo
372043557	8661-017-018	vacant	x		Clark and Monique Jackson: commercial parking lot
372043590	8661-018-033	vacant	x		James Kevin Brown: back lot
372043586	8661-018-029	vacant	x		James Kevin Brown: 441 E Baseline Rd
372043608	8661-019-009	vacant	x		Pamela Laszlo: yard area
372043570	8661-017-270	vacant		x	LA City Dept of Water and Power: 302 E Foothill Blvd, San Dimas
372043584	8661-018-027	vacant	x		Marc & Vicki Rittner: SFVL
372043556	8661-017-015	vacant	x		Leticia Reyes: 1200 N. Walnut Ave, San Dimas: commercial - .046 acres
372043554	8661-017-011	vacant	x		Richard & Helen Normington: 327 E. Baseline Rd.: /SFVL - .97 acres
372043579	8661-018-011	vacant	x		Leslie & Pamela Hejns: 1149 N. Dixie, Dr.: SFVL - .075 acres
372043271	8661-008-045	vacant	x		Alton Dove: SFVL - .372 acres
372043272	8661-008-046	vacant	x		Alton Dove: SFVL - .57 acres
372043264	8661-008-031	vacant	x		Byron & Mary Ann Garcia: front area of home: SFVL - 0239 acres
372043374	8661-011-274	vacant		x	LA City Dept of Water and Power: SFVL - .515 acres
372043659	8665-006-021	vacant	x		1345 N. Shirimar Ave.
372043368	8661-011-025	vacant	x		Dennis & Nancy Shroyer: 127 Ashvale Dr.: SFVL - .079 acres
372043356	8661-010-277	vacant	x		LA City Dept of Water and Power: SFVL - .461 acres
372043370	8661-011-024	vacant	x		Kent & Emma Winkler: SFVL - 143 acres
372045671	8665-006-021	vacant	x		1311 N. Shirimar Ave.
372045672	8665-006-022	vacant			no info
372043276	8661-008-273	vacant		x	LA City Dept of Water and Power: SFVL - .212 acres
372043357	8661-011-001	vacant	x		Kent & Emma Winkler: 221 Ashvale Dr.: SFVL - .312 acres
372043375	8661-011-276	vacant		x	LA City Dept of Water and Power: SFVL - .263 acres : Looks like an easement through 3 homes.
372043355	8661-010-276	vacant		x	LA City Dept of Water and Power: SFVL - .13 acres
372045670	8665-006-020	vacant			no info
372043365	8661-011-018	vacant	x		Kent & Emma Winkler: 10314 Hildreth Ave: SFVL - .32 acres
372043386	8661-012-011	vacant	x		Joseph & Raquel Estephan: 225 W. Woodland Oaks Dr.: SFVL - .4 acres
372043239	8661-008-001	vacant	x		Peter & Tonia Looker: 419 W. Baseline Rd: SFVL - .31 acres
372043241	8661-008-003	vacant	x		: Peter & Tonia Looker: SFVL - .35 acres
372043269	8661-008-043	vacant	x		Peter & Tonia Looker: SFVL - .31 acres
372043040	8661-002-902	vacant		x	LA County Flood Control District: SFVL - 2.598 acres (flood channel area)
372043240	8661-008-002	vacant	x		Peter & Tonia Looker: SFVL - .302 acres
372045649	8665-005-006	vacant	x		1400 N. Shirimar Ave
372045648	8665-005-005	vacant	x		no info : connected to 1400 N. Shirimar Ave: looks like it follows the road placement for homes
372043518	8661-016-004	vacant	x		XL Storage Rancho Inc. 638 E. Baseline Rd.: Commercial - 2.367 acres
372043543	8661-016-032	vacant	x		XL Storage Rancho Inc. 638 E. Baseline Rd.: Commercial - .075 acres
372043541	8661-016-030	vacant	x		XL Storage Rancho Inc. 638 E. Baseline Rd.: Commercial - .9 acres
371942338	8448-038-056	vacant	x		Vicente & Maria Cuevas: SFVL - 1.245 acres (Calle Cristina)
371942314	8448-038-032	vacant	x		Haven Apartments: 1514 Calle Cristina.; SFVL - 2.266 acres
371942317	8448-038-035	vacant	x		Saleh Mustafa Co Trust and Mustafa & Lina Saleh Trust 1532 Calle Cristina: SFVL - 1.36 acres
371942333	8448-038-051	vacant	x		Marcia Bruno: SFVL - 1.041 acres (Calle Cristina)
371942335	8448-038-053	vacant	x		Premiere Educational Corp Et Al & Enrique Aragon 1551 Calle Cristina: SFVL - 1.772 acres
371942334	8448-038-052	vacant	x		Gina & Iny Mar: SFVL - 1.739 acres (Calle Cristina)

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**ATTACHMENT C**

scaguid	APN	VACANT	Private	Public	NOTES
371942369	8448-039-072	vacant	x		David and Susan George Trust: SFVL - 0.103 acres (Paseo Victoria)
371918109	8395-019-026	vacant	x		Shirley James & Esther Davis 1304 Paseo Encinas: SFL - 0.029 acres (Driveway to residence)
371942835	8448-053-900	vacant		x	City of San Dimas: SFVL - .192 acres (looks like buffer area)
371911311	8382-013-036	vacant	x		Pom L Inca: L/M - 0.559 acres (Smokewood Ln)
371911323	8382-013-058	vacant	x		Jonathan & Mary Villegas: L/M - 0.442 acres (Brianwood Ln)
371911319	8382-013-054	vacant	x		Pom L Inc: L/M - 0.262 acres (Cannon Ave)
371911318	8382-013-053	vacant	x		Pom L Inc: L/M - 0.262 acres (Cannon Ave)
372100947	8382-013-062	vacant	x		Guoqing Lou & Louxiaolong: L/M - 0.232 acres (Puddingstone Dr.)
372100949	8382-013-061	vacant	x		Haydee Sanches & Haydee Giron Sanchez Living Trust, 125 Puddingstone Dr.: L/M - 0.232 acres
371911320	8382-013-055	vacant	x		Pom L Inc: L/M - 0.225 acres (Puddingstone Dr.)
371911750	8382-021-022	vacant	x		Adli & Madona Kakish, 770 S Tonopah Ct.: L/M - 0.103 acres
371911729	8382-020-053	vacant	x		Eugene Menrad & Menrad Trust, 401 Cannon Ave.: L/M - 0.654 acres
371911748	8382-021-020	vacant	x		Bernard & Julia Meijer: L/M - 0.151 acres (Behind S Tonopah Ct.)
371930506	8426-032-015	vacant	x		Carl & Stefanie Caston: SFL - 0.075 acres (Behind 1986 East Palm Dr., Covina)
371930552	8426-035-001	vacant	x		Ingeborg Alber & Ingeborg Alber Trust: SFL - 1.523 acres (Behind 1737 Gainsborough Rd.)
371930590	8426-036-022	vacant	x		Julian and Maribel Ayon Trust & Ayon Family Trust: SFL - 0.25 acres (Behind 1042 Sherwood Ct.)
371930592	8426-036-024	vacant	x		Leo and Fumiko Schade Trust & H and L Family Trust: SFL - 1.112 acres (Behind 1039 Sherwood Ct.)
371930520	8426-033-012	vacant	x		Joshi Hasmukh Co Trust & Joshi Trust: SFL - 0.418 acres (Behind 1745 Gainsborough Rd.)
371930532	8426-034-012	vacant	x		Arlester King: SFL - 0.976 acres (Shares border with 1160 Edinburgh Rd.)
371930507	8426-032-016	vacant	x		Castulo & Margarita Baca: SFL - 0.037 acres (Behind 1978 E Palm Dr., Covina)
371930509	8426-032-018	vacant	x		Lynn Youngs : No info (Next to 240 N Lyndon Ave., Covina)
371930508	8426-032-017	vacant	x		Louis Chitty: SFL - 0.038 acres (Behind 1968 E. Palm Ave, Covina)
371941911	8448-020-067	vacant	x		Thomas Bassett & Victoria Koelling Bassett, 1155 Via Verde: Office/Professional - 0.101 acres
371941995	8448-023-102	vacant	x		Palazzo Di Via Verde Association: SFVL - 0.044 acres (Backyard slope)
372102106	8448-020-079	vacant	x		: San Dimas CM Partners LP, 1136 Puente Ave.: Office/Professional - 0.819 acres
371942900	8448-056-014	vacant	x		: Vicente Cuevas, 1043 Via Romales: SFVL - 1.912 acres
371941910	8448-020-063	vacant	x		: Samuel Real Estate Holdings LLC: Office/Professional - 0.034 acres (Behind 1175 Via Verde)
371941917	8448-020-074	vacant	x		Thomas Bassett & Victoria Koelling Bassett, 1155 Via Verde: Office/Professional - 1.097 acres
371917012	8392-006-075	vacant	x		: James and Alla Skinner: SFL - 2.84 acres (Front Yard of 850 N. Walnut)
371914470	8387-001-021	vacant	x		Howard & Dorothy Callanan: SFVL - 0.302 acres (Behind 210 West Gladstone St.)
371914461	8387-001-001	vacant	x		: Mario Pinto, 216 W. Gladstone St.: SFVL - 0.16 acres (already developed parcel)
371913799	8386-001-077	vacant	x		: James Thornton: SFVL - 2.425 acres (Gladstone St.)
371914490	8387-001-046	vacant	x		Sam Jaber: SFVL - 0.099 acres (part of an existing home on Gladstone)
371914491	8387-001-047	vacant	x		: Mario Pinto: SFVL - 0.075 acres (Adjacent to 216 W. Gladstone St.)
371914497	8387-002-017	vacant	x		Dalal Sayegh & Mima Sayegh El Hazin, 613 N. San Dimas Ave.: SFVL - 0.212 acres (part of an existing home)
371914469	8387-001-020	vacant	x		Dorothy Callanan, 144 W. Baseline Rd.: SFVL - 0.202 acres (Behind 210 West Gladstone St.)
371917256	8392-012-019	vacant	x		Faura Commercial Holdings LLC, 932 N Catacraft Ave.: Industrial - 0.176 acres
371917331	8392-016-033	vacant	x		Thomas & Debbie Magnuson: Industrial - 0.239 acres (Behind 337 W Allen Ave.)
371912119	8383-001-019	vacant	x		Syrian Orthodox Patriarchate of Antioch, 1430 W Gladstone Ave.: SFL - 0.345 acres
371914608	8387-005-010	vacant	x		Chris and Mayra Galvez, 516 N. San Dimas Ave.: SFVL - 0.231 acres (existing home)
371912590	8383-016-040	vacant	x		Ronald and Alline Kranzer Trust & Kranzer Family Trust: SFVL - 0.229 acres (part of 508 N San Dimas Ave.)
371912568	8383-016-011	vacant	x		TNT Properties LLC, 1325 W Arrow Hwy: Commercial - 0.065 acres (Buffer)
371910900	8382-001-033	vacant	x		First American Investment LLC, 1359 W Arrow Hwy: Commercial - 0.065 acres
371914255	8386-015-021	vacant	x		Scott Dilley trust Et AL & Ronald Dilley : Industrial - 0.666 acres (Adjacent to 344 W Arrow Hwy)
371914291	8386-016-035	vacant	x		City of San Dimas: SFL - 0.16 acres (running through 412 and 416 West Third Street)
371914254	8386-015-020	vacant	x		159 North Acacia Street LLC: Industrial - 0.138 acres (Adjacent to train tracks)
371917330	8392-016-032	vacant	x		159 North Acacia Street LLC: Industrial - 0.118 acres
					: Jon and Laura Clairi: Industrial - 0.177 acres (Adjacent to train tracks)
					: 159 North Acacia Street LLC: Industrial - 0.218 acres
					Larry and Shirley Cox: Industrial - 0.38 acres (Borders 210 Fwy)

**ATTACHMENT C**

scaguidf6	APN	VACANT	Private	Public	NOTES
371917356	8392-017-054	vacant	x		Amelia Industrial Park: Industrial - 1.7 acres (Borders 210 Fwy/ Transmission Lines running through it)
371917342	8392-017-033	vacant	x		: Grigolla and Sons Construction, 627 W Allen Ave.: Industrial - 0.689 acres
371917360	8392-017-060	vacant	x		936 N Amelia LLC: Industrial - 0.045 acres
371917341	8392-017-032	vacant	x		Larry Milam & Teri Ratto, 609 W Allen Ave.: Industrial - 0.882 acres
371915238	8390-009-013	vacant	x		Alliance Property LLC, 300 N Walnut Ave.: SFL - 1.759 acres
371915237	8390-009-011	vacant	x		Alliance Property LLC, 343 Moore Ln.: SFL - 0.403 acres
371915256	8390-009-031	vacant	x		Alliance Property LLC: SFL - 0.405 acres (Adjacent to 343 Moore Ln.)
371914999	8387-017-041	vacant	x		First Baptist Church, 166 N San Dimas Ave.: Office/Professional - 0.08 acres
371914996	8387-017-038	vacant	x		First Baptist Church, 114 E 2nd St.: SFL - 0.12 acres
371914848	8387-013-022	vacant	x		San Dimas Community Church, 200 N San Dimas Ave.: Office/Professional - 0.161 acres
371914849	8387-013-024	vacant	x		San Dimas Community Church, 200 N San Dimas Ave.: Office/Professional - 0.161 acres
371914637	8387-007-004	vacant	x		Chad & Krista Fernando: SFL - 0.077 acres (Adjacent to 425 N Iglesia Ave.)
371915000	8387-017-042	vacant	x		First Baptist Church, 162 N San Dimas Ave.: Office/Professional - 0.16 acres
371914724	8387-009-035	vacant	x		MKZ Investments LLC, 115 E Bonita Ave.: Commercial - 0.044 acres
371914730	8387-009-006	vacant	x		City of San Dimas: Commercial - 0.112 acres (East First Street)
371913948	8386-005-050	vacant	x		526 W Gladstone LLC, 526 W Gladstone St.: SFVL - 1.44 acres (Driveway of home)
371913968	8386-006-027	vacant	x		: RCM San Dimas LLC: Industrial - 0.269 acres (Adjacent to train tracks)
371914018	8386-009-005	vacant	x		All Discount LLC: SFL - 0.17 acres (Behind 532 W 3rd St.)
371913961	8386-006-010	vacant	x		: RCM San Dimas LLC, 155 N Eucla Ave.: Industrial - 2.31 acres (Adjacent to train tracks)
371913804	8386-002-020	vacant	x		Jeremy & Heather Schourup, 509 W 5th St.: SFVL - 0.084 acres
371914021	8386-009-012	vacant	x		Armando Gonzales, 518 W 3rd St.: SFL - 0.176 acres (Behind 512 W 3rd St.)
371913969	8386-006-028	vacant	x		RCM San Dimas LLC: Industrial - 0.423 acres (Adjacent to train tracks)
371913966	8386-006-025	vacant	x		RCM San Dimas LLC: Industrial - 0.147 acres (Adjacent to train tracks)
371913960	8386-005-067	vacant	x		Salvador & Irma Solis, 607 W 5th St.: SFVL - 0.393 acres (On slope)
371913967	8386-006-026	vacant	x		RCM San Dimas LLC: Industrial - 0.051 acres (Adjacent to train tracks)
371914027	8386-009-028	vacant	x		Armando Gonzales: SFL - 0.351 acres (Behind 518 & 520 W 3rd St.)
371914031	8386-009-033	vacant	x		Jian Shao & Zihao, 542 W 3rd St.: SFL - 0.261 acres
371914256	8386-015-022	vacant	x		159 North Acacia Street LLC: Industrial - 0.156 acres (Adjacent to train tracks and N Eucla Ave.)
371914257	8386-015-023	vacant	x		159 North Acacia Street LLC: Industrial - 0.077 acres (Adjacent to train tracks and N Eucla Ave.)
371914199	8386-014-012	vacant	x		Ophelia Berumen & Theresa Franco, 440 W 3rd St.: SFL - 0.163
371914007	8386-008-030	vacant	x		Loyola Marymount University: SFL - 0.164 (Between train tracks and 57 Fwy)
371914458	8386-023-046	vacant	x		David & Tracy Stepp: SFL - 0.064 acres (Home from 752 W Gladstone situated between this parcel as well)
371912340	8383-009-063	vacant	x		Costco Wholesale Corporation: Industrial - 0.14 acres (N Lone Hill Ave.)
371912350	8383-009-088	vacant	x		Pacific Lewis Properties: Industrial - 0.343 acres (W Gladstone St.)
371912341	8383-009-064	vacant	x		Costco Wholesale Corporation: Industrial - 0.343 acres (W Gladstone St.)
371912387	8383-010-073	vacant	x		Costco Wholesale Corporation, 1038 W Gladstone St.: Industrial - 0.343 acres
371912331	8383-009-037	vacant	x		Vahe and Anni Kahkejian: Industrial - .106 acres
371913052	8385-006-034	vacant	x		Ruben Reyes: MH - 1.259 acres : adjacent to Charter Oaks Mobilehome Park and 57 Fwy
371912746	8383-020-067	vacant	x		Kouros Dimitrios: 1034 W. Arrow Hwy; Commercial - .202 acres (overlapping businesses)
371910932	8382-001-082	vacant	x		STOS Corporation: 650 W. Cienega Ave.; Industrial - 1.988 acres (parking lot and part of bldg)
371913996	8386-007-079	vacant	x		Key Holders LLC: Commercial - .015 acres: part of building and parking lot
371910935	8382-001-086	vacant	x		STOS Corporation: Industrial - .88 acres (parking lot and part of bldg)
371912698	8383-020-007	vacant	x		Ami & Phoebe Decker; Commercial - .066 acres; (part of bldg and parking lot)
371914304	8386-017-902	vacant	x		Redevelopment Agency of City of San Dimas: 204 S. Eucla Ave; Commercial - .055 acres
371913988	8386-007-071	vacant	x		Anabi Real Estate Development; Commercial - .239 acres
371913989	8386-007-072	vacant	x		Anabi Real Estate Development; Commercial - .155 acres
371914306	8386-017-904	vacant	x		Redevelopment Agency of City of San Dimas: 434 W. Bonita Ave; Commercial - .253 acres
371911715	8382-019-034	vacant	x		Sater Oil International LLC: Industrial - .023 acres (parking lot of business)
371911712	8382-019-032	vacant	x		Liberty Home Mortgage Inc.: Industrial - .133 acres (parking lot of business)
371911817	8382-022-079	vacant	x		Canyon Creek Village Assoc.; SFL - .039 acres (part of their HOA open space)

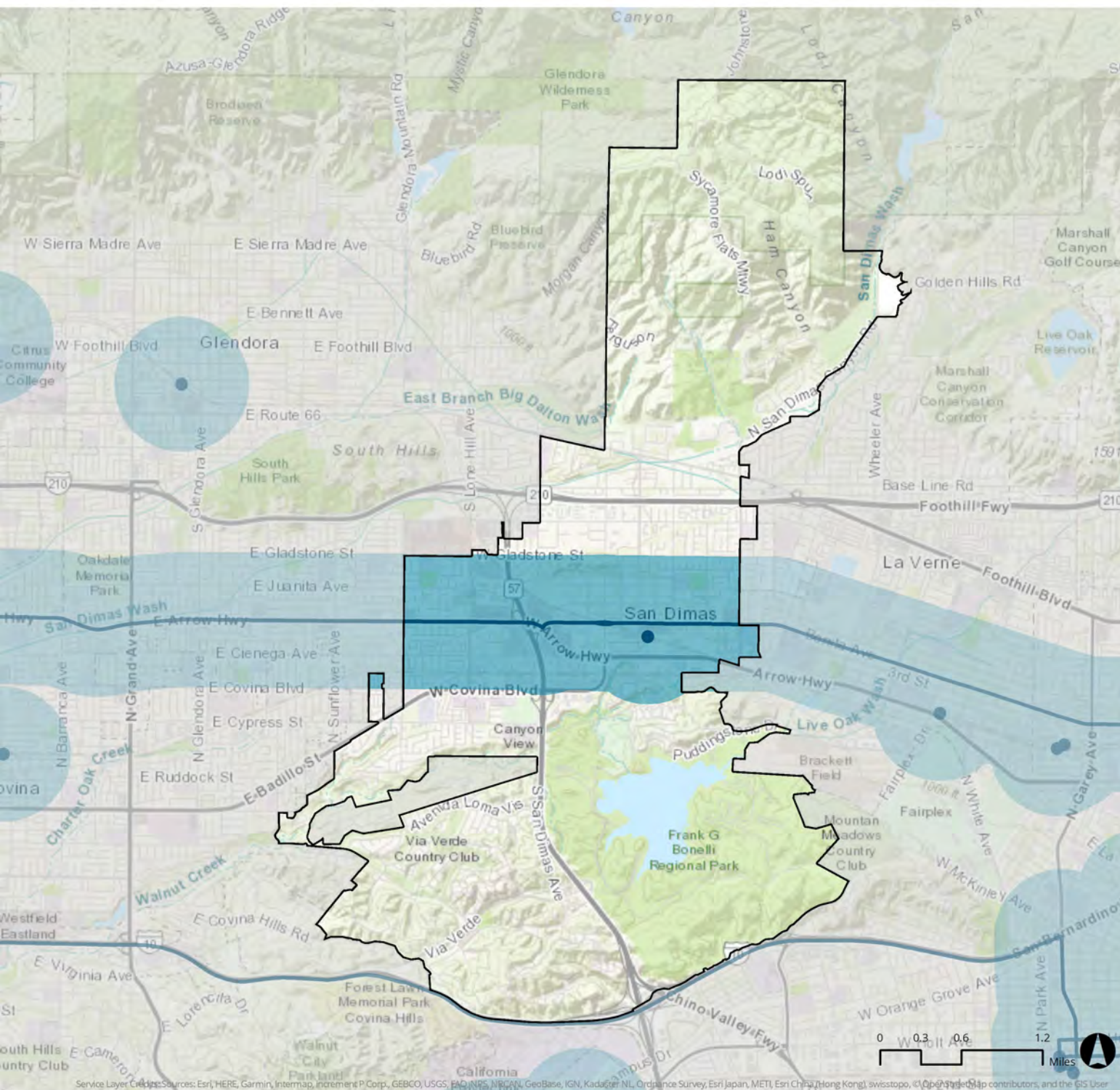
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**ATTACHMENT C**

scaguid	APN	VACANT	Private	Public	NOTES
371911816	8382-022-078	vacant	x		Canyon Creek Village Assoc.; SFL - .038 acres (part of their HOA open space)
371911026	8382-004-041	vacant	x		Michael Trow; SFVL - .73 acres; (part of home)
372106449	8390-019-041	vacant	x		Yilung Lu; 310 S. Shirimar Ave; Commercial - 1.482 acres; (developed already)
372106457	8390-019-039	vacant			not found
372106456	8390-019-040	vacant	x		Hin Wing Hui; 304 S. Shirimar Ave.; Commercial - 1.482 acres (developed already)
371915559	8390-021-040	vacant	x		Hans and Misty Faber; SFL - .052 acres; (backyard of home)
371915438	8390-018-044	vacant	x		San Dimas Arrow Business Park; Commercial - .065 acres (parking lot of business)
372106459	8390-019-043	vacant	x		Moises & Sandra Serrato; 322 S. Shirimar Ave.; Commercial - 1.482 acres (developed as residential)
371915582	8390-021-900	vacant		x	City of San Dimas; Commercial - .147 acres; (Park & Ride parking lot)
371915589	8390-021-907	vacant		x	City of San Dimas; Single Family Low - .242 acres; (Park & Ride parking lot)
371915583	8390-021-901	vacant		x	City of San Dimas; 205 S. San Dimas Ave; Commercial - .162 acres; (Park & Ride parking lot)
371915567	8390-021-048	vacant			not found
371915572	8390-021-053	vacant			not found
371915570	8390-021-051	vacant			not found
371915425	8390-017-035	vacant	x		Dorothy Yeh; Commercial - 0.025 acres; (part of small alley behind dollar tree)
371915588	8390-021-906	vacant		x	City of San Dimas; Single Family Low - .162 acres; (Park & Ride parking lot)
371915591	8390-021-909	vacant		x	City of San Dimas; Single Family Low - .162 acres; (Park & Ride parking lot)
371915590	8390-021-908	vacant		x	City of San Dimas; Single Family Low - .162 acres; (Park & Ride parking lot)
371910903	8382-001-099	vacant	x		City of San Dimas; Single Family Low - .162 acres; (Park & Ride parking lot)
371910943	8382-002-018	vacant	x		City of San Dimas; Single Family Low - 113 acres; (Park & Ride parking lot)
371911307	8382-012-020	vacant		x	City of San Dimas; Single Family Low - 113 acres; (Park & Ride parking lot)
371911615	8382-016-188	vacant		x	San Dimas Town Center LLC; Commercial - .384 acres; (developed already)
371911619	8382-016-193	vacant		x	City of San Dimas; Commercial - .058 acres; (Park & Ride parking lot)
371912972	8385-002-037	vacant	x		Jayne Marie Sullivan; 199 S Monte Vista Ave; Single Family Low - .139 acres; (parking lot for business)
371914703	8387-008-036	vacant	x		Thaleia L Marston; 215 E Arrow Hwy; Industrial - .115 acres; (building is on the parcel)
371914920	8387-015-026	vacant	x		Paul D Bachmann; 328 W Arrow Hwy; Industrial - 1.873 acres; (Developed already)
371914493	8387-001-052	vacant			Girl Scouts of Greater LA; 204 W Arrow Hwy; Industrial - 1.06 acres; (contains parking lot for girl scout bldg)
371914673	8387-008-002	vacant			not found
371914870	8387-014-025	vacant	x		Executive Freedom Corp; 117 N Monte Vista Ave; SFL - .064 acres; (house built on parcel)
371914887	8387-014-049	vacant	x		Rick and Jessica Fujimoto; 244 W 1st St; SFL - .13 acres; (house built)
371914748	8387-010-015	vacant	x		Stephen N and Maureen A Saenz; SFL - 0.11; (house built)
371914888	8387-014-051	vacant	x		Daniel R and Kellee D Flanders; 229 W Bonita Ave; Commercial - .191 acres; (Developed already)
371914876	8387-014-033	vacant	x		Faura Commercial Holdings LLC; 217 W Bonita; Commercial - .123 acres (building on parcel)
371914881	8387-014-038	vacant	x		Daniel R and Kellee D Flanders; 225 W Bonita Ave; Commercial - .08 acres; (parking lot)
371914875	8387-014-032	vacant	x		Faura Commercial Holdings LLC; 219 W Bonita; Commercial - .037 acres (parking)
371914964	8387-016-031	vacant	x		Hovsep and Lena Nishanian; 151 N San Dimas ave; Office/pro - .164 acres; (no building)
371914963	8387-016-030	vacant	x		Hovsep and Lena Nishanian; 155 N San Dimas ave; Office/pro - .161 acres; (no building)
371914241	8386-015-037	vacant	x		JKI Investments LLC; 175 N Acacia St; SFL - .16 acres; (no building)
371914271	8386-015-037	vacant	x		Janet Lois Lopez Revocable trust; 301 W 1st st; SFL - .16; (house built)
371942894	8448-056-008	vacant	x		Shunpeng Ye and Lihong Yao; 1006 Via Romales; SFVL - .792; (house built)
371942888	8448-056-002	vacant	x		Thomas and Krysstina Dailey; SFVL - .653; (no building)
371930695	8426-039-037	vacant	x		Xiaoyu and Li Cheng; 1606 Greenwich Road; SFL - .06; (house built)
371930670	8426-039-012	vacant	x		Jianzhong Zhang; 1509 Greenwich rd; SFL - .064; (House Built)
371941997	8448-024-018	vacant	x		180 Via verde LLC; office/pro - .497 acres; (parking lot)

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## Major Transit Stops and High Quality Transit Areas in City of San Dimas [Year 2045]

- Major Transit Stops
- ▬ High Quality Transit Corridors (HQTCS)
- High Quality Transit Areas (HQTAs)

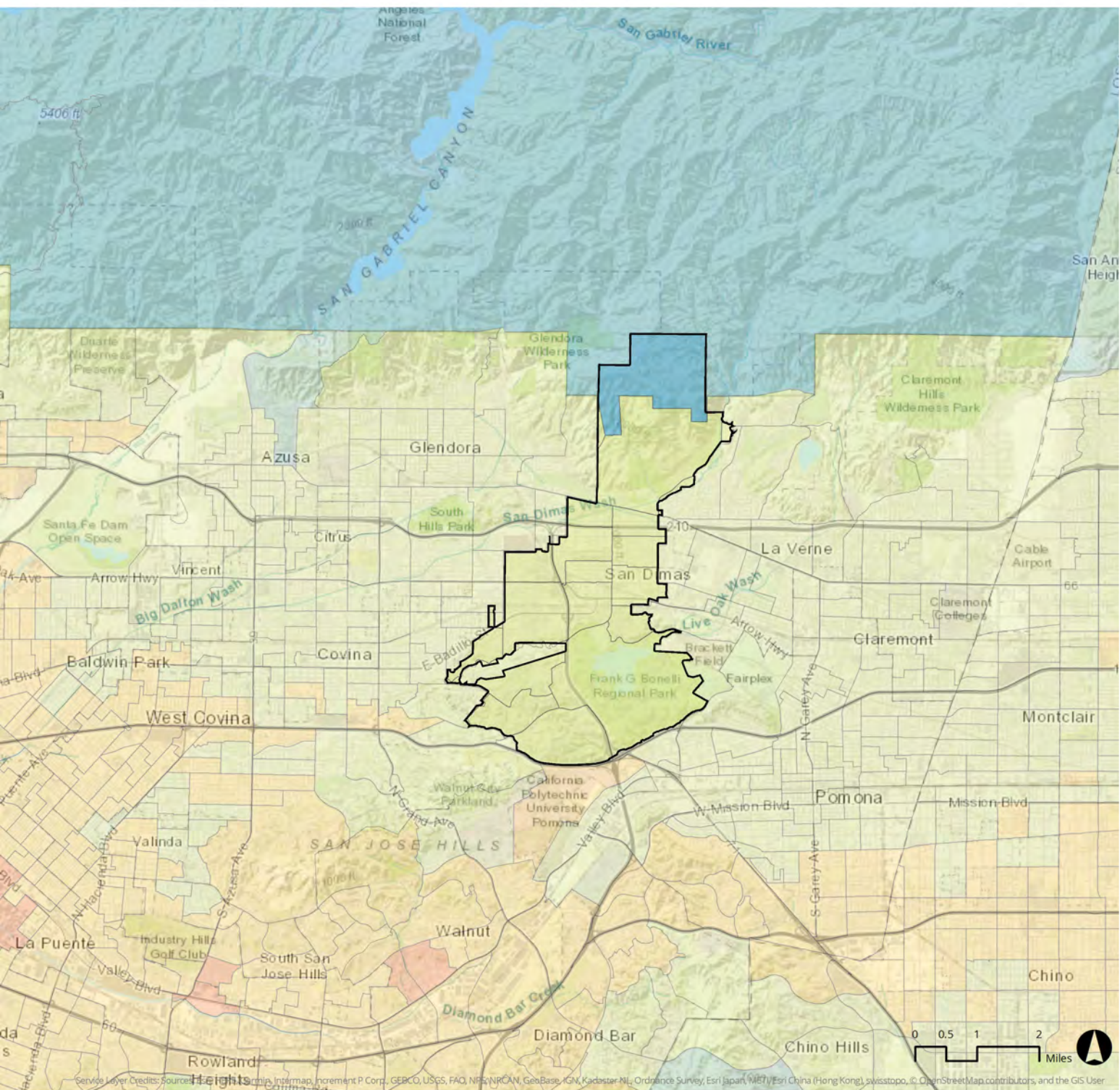
Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCS), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCS are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTA) is within one-half mile from Major Transit Stops and HQTCS and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of San Dimas. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data, please refer to the SCAG Data/Map Book at [connectso-cal.org/Pages/Local-Input-Process.aspx](https://connectso-cal.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).

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## TAZ-level job accessibility in and around: City of San Dimas [Year 2045]

0% - 2.29%    2.3% - 7.8%    7.81% - 11.68%    11.69% - 15.51%    15.52% - 19.63%    19.64% - 100%

Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodology of this map, please refer to the SCAG Data/Map Book at <https://www.connectsocial.org/Pages/Local-Input-Process.aspx> or contact RTPLocalIn

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Southern California Association of Governments  
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January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: Michael Gainor, Senior Regional Planner,  
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Alhambra

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of Alhambra (the City) to reduce its Draft RHNA Allocation from its current allocation of 6,808 units to 3,318 units, a reduction of 3,490 units.

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of Alhambra requests a reduction of its RHNA allocation by 3,490 units from its current allocation of 6,808 residential units to 3,318 units (51.3 percent) based on the following six issues:

- 1) Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA
- 2) Existing or projected jobs-housing balance
- 3) Availability of land suitable for urban development or for conversion to residential use
- 4) The region's greenhouse gas (GHG) emissions targets
- 5) Affirmatively furthering fair housing
- 6) Change in circumstances

Other: The City also challenges the regional determination.

**RATIONALE FOR STAFF RECOMMENDATION:**

SCAG staff have reviewed the appeal and recommend no change to the City of Alhambra's draft RHNA allocation.

**Issue 1:** The appeal based on the failure of the adopted Final RHNA Methodology to appropriately

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To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

**OUR VISION**

Southern California's Catalyst for a Brighter Future

**OUR CORE VALUES**

Be Open | Lead by Example | Make an Impact | Be Courageous

account for local factors regarding local constraints for future residential development, such as open space deficits, incompatible industrial uses, environmental contamination, and high levels of existing density, is not accepted because sufficient evidence was not provided to support the claims of a misapplication of the adopted RHNA methodology.

**Issue 2:** The appeal based on impacts to regional jobs/housing balance is not accepted because jobs/housing balance is already addressed in the RHNA methodology and is assessed at the regional, not jurisdictional level.

**Issue 3:** The appeal based on the availability of land suitable for urban development is not accepted because the consideration of the availability of land suitable for urban development must include other types of land use opportunities other than vacant land.

**Issue 4:** The appeal based on potential conflict with SCAG's regional greenhouse gas (GHG) emission reduction goals is not accepted because Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets set by the California Air Resources Board (CARB). The adopted RHNA Methodology allocates housing to jurisdictions in a manner that is consistent with the Connect SoCal development pattern. In addition, the 6<sup>th</sup> cycle RHNA does not change the population forecast from Connect SoCal either in 2029 (end of RHNA period), or for any year during the Connect SoCal growth forecast, including 2035, for which Connect SoCal is required to meet the applicable regional GHG emission reduction target.

**Issue 5:** The appeal based on factors related to 'Affirmatively Further Fair Housing' (AFFH) is not accepted because the RHNA methodology accounts for local income disparities through application of a social equity adjustment and the inclusion of access to resources as an influencing factor.

**Issue 6:** The appeal based on a change in circumstances related to the COVID-19 pandemic is not accepted because evidence was not provided that the City has been disproportionately burdened by the pandemic relative to other jurisdictions in the SCAG region.

**Other:** The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

## **BACKGROUND:**

### **Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received draft RHNA allocations on September 11, 2020. A summary of the RHNA allocation for the City of Alhambra is provided below.

**Total RHNA Allocation for the City of Alhambra: 6,808 units**

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Very Low Income: 1,769 units  
Low Income: 1,033 units  
Moderate Income: 1,077 units  
Above Moderate Income: 2,929 units

Additional background information related to the draft RHNA allocation for the City of Alhambra is provided in Attachment 1.

### **Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed by the City of Alhambra. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

### **ANALYSIS:**

***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

*The City contends that the adopted Final RHNA Methodology fails to appropriately account for local factors regarding constraints to future residential development, such as open space deficits, incompatible industrial uses, environmental contamination, high levels of existing density, and energy reliability. Additionally, the appeal asserts that the City is not a high-resourced community and should not receive a residual need that exempted low-resourced communities from "residual" existing need in the Final RHNA Methodology.*

**SCAG Staff Response:** The adopted Final RHNA Methodology is not the basis for an appeal. An appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region including anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes in detail the RHNA data sources and how they are calculated.

On January 13, 2020, the Draft RHNA Methodology was found by HCD to further the five statutory RHNA objectives<sup>1</sup>, in large part due to its use of objective factors. As such, SCAG is not permitted to consider these factors differently from one jurisdiction to another. The reliance on locally reviewed data ensures that the regional planning process accurately reflects local conditions, including existing planning opportunities and constraints.

While the City argues in its appeal that Alhambra's job and transit accessibility factors have been overstated, sufficient supportive evidence has not been provided to suggest that any of the input data used in the RHNA methodology was incorrect. Specifically, the City asserts that there are no properties within one-half mile of a major transit stop, yet it does not provide any data-based evidence or documentation to support a dispute to the number of households within the jurisdiction that have access to transit as determined in the adopted Final RHNA Methodology. The City of Alhambra's forecast of 2045 'High Quality Transit Area' (HQTA) population (81,862), and its share of 2045 regional jobs which may be accessed within a 30-minute AM peak period automobile commute time (15.85%), are the two major inputs to the existing need portion of the methodology.

The City of Alhambra also asserts in its appeal that the City struggles with energy reliability due to decisions made by its energy provider and that "residential development at the scale required to meet the City's draft RHNA allocation far exceeds any of SoCal Edison's projections for future capacity." The appeal states that the City's draft RHNA allocation will exacerbate this issue.

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<sup>1</sup> The five RHNA objectives are: 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 (GHG) reduction 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; and 5) Affirmatively furthering fair housing (Govt. Code § 65584(d)).

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However, energy reliability is not one of the factors adopted as part of the Final RHNA Methodology.

While the City asserts that local factors were not adequately considered in the adopted RHNA methodology, the adopted Final RHNA Methodology itself is not subject to appeal. Moreover, the City does not present sufficient supporting evidence to indicate an error in SCAG's application of the adopted Final RHNA Methodology in the determination of the City's draft RHNA allocation. For these reasons, SCAG staff does not recommend a reduction to the City's RHNA allocation based on the application of the Final RHNA Methodology.

***Issue 2: Existing or projected jobs-housing balance [Government Code Section 65584.04(e)(1)].***

*The City contends that the RHNA methodology was improperly applied in the assessment of the City's access to transit and proximity to employment centers, resulting in an overstatement of its existing housing needs. The City has comparable commute times to other Los Angeles County jurisdictions but has a higher percentage of single-occupancy drivers than the County as a whole. The City's draft RHNA allocation would therefore negatively impact the regional jobs-housing relationship.*

**SCAG Staff Response:** As discussed in the preceding section, the adopted RHNA Methodology is not an eligible basis for appeal. The RHNA process, as defined in Government Code section 65584 *et seq.*, and as discussed above, specifies that a council of government's regional housing needs allocation plan shall further five objectives. While transit accessibility is not explicitly referenced, promoting housing development based on a jurisdiction's population residing within an HQTAs is consistent with objectives related to the promotion of infill development and improving intraregional jobs-housing relationships.

Jobs-housing balance is most effectively assessed at the regional scale, extending beyond the boundaries of any individual jurisdiction. Over 80 percent of workers in the SCAG region live and work in different jurisdictions, a figure that accounts for those who work from home. This requires an approach to the region's jobs-housing relationship based on an assessment of access to regional jobs rather than on the number of jobs located within a particular jurisdiction. Limiting the scope of a jobs-housing balance evaluation to an individual jurisdiction's boundaries may effectively worsen a regional jobs-housing imbalance. Since the Final RHNA Methodology's job accessibility factor already assesses this at a regional scale and the City does not provide evidence challenging the share of 2045 regional jobs which may be accessed within a 30-minute AM peak period automobile commute time (15.85%) used in the methodology, SCAG staff does not recommend a reduction to the City's draft RHNA allocation based on this factor.

***Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].***



*The City of Alhambra argues that it has limited availability of suitable land for urban development or conversion to residential use. The City has significant constraints for future residential development, including a lack of available open space, incompatible industrial uses, land use restrictions related to environmental contamination, and high levels of existing density that preclude it from further increasing density to accommodate its draft RHNA allocation. The City has indicated that it has limited opportunities for lot consolidation or rezoning to accommodate its draft RHNA allocation. Specifically, the City states that, according to its 5<sup>th</sup> RHNA cycle housing element, it has only 53.7 acres of vacant and underutilized land to accommodate its draft RHNA allocation.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use”, as expressed in 65584.04(e)(2)(B), is not restricted only to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities should be considered components of ‘available’ land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for residential development. This includes underutilized land, opportunities for infill development and increased residential densities, alternative zoning, and accessory dwelling units. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City’s projected growth.

Note that while zoning and capacity analysis may be used to meet RHNA need, these tools should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected, is independent of zoning and other related land use restrictions, and in some cases may be exacerbated by these restrictions. Therefore, land use capacity that is restricted by factors unrelated to existing or projected housing need may not be used to determine existing or projected housing need. Additionally, while SCAG encourages the City to consider land still available as identified in its 5<sup>th</sup> cycle housing element, its 6<sup>th</sup> cycle housing element should not be limited only to what was identified in a prior cycle. For these reasons, SCAG staff does not recommend a reduction to the City of Alhambra’s draft RHNA allocation based on this factor.

**Issue 4:** The region's greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

*The City contends that its current draft RHNA allocation would encourage longer commute times and increase vehicle miles traveled, which conflicts with the State's greenhouse gas (GHG) emissions reduction goals. Specifically, the City asserts that Alhambra's single-occupant vehicle commute share is higher than the Los Angeles County average.*

**SCAG Staff Response:** As discussed in Issue 1 and below, the adopted Final RHNA Methodology is not an eligible basis for appeal. Data from SCAG's 2020 Regional Transportation Plan and Sustainable Community Strategy (Connect SoCal) was used to inform how the RHNA methodology furthers this objective. As described in Attachment 1, a substantial portion of Alhambra's draft RHNA allocation results from its location near future employment and transit. The median Alhambra resident in 2045 may expect to be able to access 1,592,000 jobs within a 30-minute commute time, which is in the top one-third of jurisdictions regionally. While this is not as high as some jurisdictions (the City of Commerce leads the region with being able to reach 2,342,000 jobs), the units assigned to Alhambra based on this factor are commensurate with its level of job access. Since approximately 37 percent of statewide GHG emissions are generated by transportation sources, and 21 percent of travel is job related, additional residential development in locations which score high on the job accessibility measure provides an important tool toward achieving regional GHG emission reduction targets.

Connect SoCal specifically provides a regional plan for reducing travel related GHG emissions by employing land use policies at the regional level. While SCAG acknowledges the potential for an increase in the City's per capita GHG emissions if the 6,808 units allocated for Alhambra are developed, planning for this development in a manner that is consistent with the development patterns defined in Connect SoCal would reduce region-wide GHG impacts by placing these units in areas that are close to jobs and transit. In addition, HCD's regional determination is largely based on measures of existing need (overcrowding) rather than regional population growth. As such, much of the RHNA allocation intends to accommodate current population. Since Connect SoCal's modeling of regional travel indicates that Alhambra scores relatively highly in terms of job accessibility, increased housing stock in Alhambra (compared to other locations with poorer job access) would improve regional GHG performance, which is a statutory objective of RHNA. For this reason, SCAG staff does not recommend a reduction to Alhambra's draft RHNA allocation based on this factor.

**Issue 5: Affirmatively furthering fair housing.**

*The City contends that the RHNA methodology overstates the City’s existing housing needs and does not affirmatively further fair housing. The City already has a disproportionately high percentage of lower income households and has a lower median income than the Los Angeles County average. Some of its share of existing housing need should therefore be reallocated to higher-resource jurisdictions to provide more equity and to better reflect the region’s obligation to affirmatively further fair housing.*

**SCAG Staff Response:** As discussed in Issue 1 and below, a challenge to the adopted RHNA methodology is not an eligible basis for appeal. One of the five objectives of RHNA law is to ensure that the RHNA allocation plan allocates “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”. The adopted RHNA methodology addresses this disparity through its social equity adjustment and inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing (AFFH), the RHNA Methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. Rather than using an individual jurisdiction’s median household income as a basis, the RHNA methodology uses the county median income as the benchmark to determine household income distribution among the four RHNA income categories for each jurisdiction. The result is that jurisdictions that have a higher concentration of lower income households than the county average will receive lower percentages of RHNA for the lower income categories. While Alhambra provides data indicating its household income is lower than the County average, the RHNA methodology reflects this and it is not inconsistent with the data provided by the City.

**Households by Income Category, SCAG RHNA Methodology**  
(2017 American Community Survey 5-year sample)

Jurisdiction	Very-Low Income	Low Income	Moderate	Above Moderate
Los Angeles County	26%	15%	16%	43%
Alhambra	29%	15%	17%	39%

For this reason, SCAG staff does not recommend a reduction to Alhambra’s draft RHNA allocation based on this factor.

***Issue 6: Changed Circumstances [Government Code 65584.05(b)].***

*The City's appeal indicates that the COVID-19 pandemic has resulted in a significant change of circumstance relative to the development of new housing and increasing residential densities. Creating more housing, specifically higher density housing, limits the ability to maintain appropriate levels of social distancing needed to control disease spread. Alhambra is already quite dense and lacks adequate open space. New housing opportunities would be better developed elsewhere where these needs may be met.*

**SCAG Staff Response:** SCAG's Regional Council delayed adoption of Connect SoCal by 120 days in order to provide adequate time to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19. However, Connect SoCal's long-range (2045) forecasts for these variables remained unchanged. The Connect SoCal 'Demographics and Growth Forecast' Technical Report<sup>2</sup> outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, including the SCAG region's share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term economic competitiveness or employment outlook for 2023-2045. As such, SCAG's assessment of comparable data does not suggest long-range regional employment declines.

The COVID-19 pandemic has produced significant impacts throughout Southern California. However, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in regional demand for housing or housing need. Southern California home prices have continued to increase (+2.6 percent from August to September 2020), led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation covers an eight-year planning period and is not unduly influenced by immediate or near-term impacts. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that Alhambra's housing need has been disproportionately impacted relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the City of Alhambra's draft RHNA allocation in response to this factor.

***Other: The City challenges the regional determination.***

*While not an eligible basis for appeal, the City of Alhambra indicates that the overall regional RHNA determination resulting in a total allocation of 1.34 million new housing units in the SCAG region was flawed and is inconsistent with the legal requirements imposed by Government Code Section 65584.01(a).*

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<sup>2</sup> See [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Demographics-And-Growth-Forecast.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Demographics-And-Growth-Forecast.pdf)

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SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not an eligible basis for appeal per adopted RHNA Appeals Procedures, and it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination.

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (e.g., the determination shall be based on population projects produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. HCD did not materially change the regional determination following SCAG's formal objection filed on September 18, 2019, and there are no further mechanisms provided for in statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process—namely the adoption of a final RHNA methodology, conducting an appeals process, and issuing final RHNA allocations.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

**ATTACHMENT(S):**

1. Local Input and Development of Draft RHNA Allocation (City of Alhambra)
2. City of Alhambra RHNA Appeal Request Form
3. Map of High Quality Transit Areas in the City of Alhambra (2045)
4. Map of Job Accessibility in the City of Alhambra (2045)

## Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment describes the nature and timing of the opportunities the City of Alhambra had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the 2020 RTP/SCS (Connect SoCal) Growth Vision. It also describes the process by which the RHNA methodology development process integrated this information to develop the City of Alhambra’s Draft RHNA Allocation.

### 1. Local Input

#### a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data in preparation for development of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal) and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each local jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for review and revision, which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were also accepted and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of Alhambra, the anticipated number of households in 2020 was 30,391 and in 2030 was 31,329 (growth of 938 households). In February 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of

<sup>1</sup> While the RTP/SCS and RHNA share some common data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoning capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1:

[https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <http://scagrtpsc.net/Pages/DataMapBooks.aspx>

Alhambra on the growth forecast was received in October 2018. Following input, household totals were 30,304 in 2020 and 31,070 in 2030<sup>3</sup>, for a reduced household growth during this period of 766.

**b. RHNA Methodology Surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the draft RHNA methodology. The City of Alhambra submitted the following surveys prior to the adoption of the draft RHNA methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**2. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG’s Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region’s GHG reduction targets, as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections, may be found at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council’s decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

<sup>3</sup> The City provided the attached data verification form but did not provide a 2030 households value. This final Connect SoCal figure was derived based on the 2035 household total of 31,410 which was provided in this form and is a reduction from SCAG’s preliminary 2035 household total of 31,745.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG’s Scenario Planning Model Data Management (SPM-DM) site at: <http://spmDM.scag.ca.gov>.

Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Alhambra that differed from the Growth Vision.

**2. Development of the Final RHNA Methodology**

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG’s 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

*(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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code

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section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).*

On March 5, 2020, following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period; and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>4</sup> Furthermore, the adopted Final RHNA Methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data obtained through the Connect SoCal Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### 3. Draft RHNA Allocation for the City of Alhambra

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Alhambra received its draft RHNA allocation on September 11, 2020. Application of the adopted

<sup>4</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing need in the current population (existing need) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

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RHNA methodology yields the draft RHNA allocation for the City of Alhambra, as summarized in the data and calculations featured in the table below.

City of Alhambra Statistics and Inputs		Calculation of Draft RHNA Allocation for Alhambra	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	632	Forecasted household (HH) growth, RHNA period:	632
Percent of households who are renting:	60%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	23
Housing unit loss from demolition (2009-18):	69	Replacement Need:	69
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	1,793	TOTAL PROJECTED NEED:	724
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	15.85%	Existing need due to job accessibility (50%):	2,218
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,592,000	Existing need due to HQTa pop. share (50%):	3,341
Share of region's job accessibility (population weighted):	0.53%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	525
Jurisdiction's HQTa population (2045):	81,862	TOTAL EXISTING NEED:	6,085
Share of region's HQTa population (2045):	0.80%	<b>TOTAL RHNA FOR THE CITY OF ALHAMBRA:</b>	<b>6,808</b>
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	1,769
Share of population in very high-resource tracts:	6.32%	Low income (50-80% of AMI):	1,033
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	1,077
		Above moderate income (>120% of AMI):	2,929

The transit accessibility measure is based on the population anticipated to live within 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 81,862 living within HQTAs, the City of Alhambra will account for 0.80 percent of the SCAG region's total 2045 HQTa population, which provides the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs that are accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located

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within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached within a 30-minute automobile commute time from a local jurisdiction’s median TAZ is used to allocate housing units based on the job accessibility factor. From the City of Alhambra’s median TAZ, it will be possible to reach 15.85 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,592,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered ‘Disadvantaged Communities’ (DACs) based on access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as ‘residual need’, is then reallocated to non-DAC jurisdictions in order to ensure that new housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 525 units assigned to the City of Alhambra.

Please note that the above discussion represents only a partial description of the key data and calculations featured in the adopted RHNA allocation methodology.

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**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

Date: 10/26/20 Jurisdiction Subject to This Appeal Filing: City of Alhambra  
*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD) Jurisdiction

Filing Party Contact Name Joseph M. Montes Filing Party Email: jmontes@bwslaw.com

**APPEAL AUTHORIZED BY:**

Name: Hon. David Mejia

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region's greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

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**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
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*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

A revision is required to Alhambra's draft allocation to further the intent and objectives of the RHNA methodology under each of the criteria set forth in Government Code section 65584(d).

American Community Survey data show that the City's median income is below that of the County as a whole and true higher-resource communities with better job and transit access are located nearby. Alhambra's draft allocation would encourage long drive times and increase Vehicle Miles Traveled in conflict with the State's greenhouse gas reduction targets. Allocating a share of Alhambra's existing need to other Los Angeles County jurisdictions with better job access would better fulfill the State's goals. Allocating some of the City's share of existing housing need to higher-resource jurisdictions would be more equitable and better reflect the region's obligation to affirmatively further fair housing.

More information on each of these points is included in the enclosed Attachment.

**Brief Description of Appeal Request and Desired Outcome:**

At a minimum, Alhambra's allocation should be reduced by 525 units to reflect the fact that it is inappropriately identified as a higher-resource community. In addition, further adjustments to reflect the City's existing built-out nature and significant infrastructure constraints, are required. The City proposes a total RHNA allocation of 3,318 units for the Sixth Cycle, an increase of more than 2.2 times the units that the City was required to accommodate during the Fifth Cycle. More information on the proposed reduction is included in the enclosed Attachment.

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced 3,490                      Added \_\_\_\_\_

**List of Supporting Documentation, by Title and Number of Pages**  
**(Numbers may be continued to accommodate additional supporting documentation):**

1. City of Alhambra - Documentation in Support of RHNA Appeal Request (5 pages)
- 2.
- 3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

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**City of Alhambra  
Documentation in Support of  
RHNA Appeal Request**

As noted in the *Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form* to which this documentation is attached, a revision is required to the City of Alhambra’s draft allocation to further the intent and objectives of the RHNA methodology under each of the criteria set forth in Government Code section 65584(d).

As set forth further below, Alhambra requests a RHNA reduction to 3,318 units for the Sixth Cycle to correct errors in the application of the Sixth Cycle RHNA methodology; appropriately account for local factors; and to reflect the significant and unforeseen change in circumstances that the ongoing COVID-19 pandemic has brought to the region’s need for housing.

**I. Alhambra’s Draft Allocation Should be Revised to Advance RHNA’s Statutory Goals.**

Government Code section 65584(d) defines five criteria that RHNA methodology must advance. Alhambra’s draft allocation conflicts with each of the statutory objectives, and revisions are required to further the State’s objectives for the RHNA process.

First, Alhambra’ draft allocation does not increase the housing supply with respect to affordability in an equitable manner. Alhambra has been assigned too large a share of the County’s existing housing need, because the draft allocation overstates the City’s job accessibility and access to transit. According the most recent American Community Survey, 73.9 percent of workers in Los Angeles drive along to their place of employment. By contrast, 79.1 percent of workers who live in Alhambra drive alone. Alhambra residents are forced to drive at a higher rate than County workers as a whole because employed residents do not have adequate access to high quality and frequent transit that connects them to their jobs. Similarly, the American Community Survey shows that Alhambra workers commute for almost the same length of time as average Los Angeles County workers, so increasing housing allocations in the City will not meaningfully improve access to employment within Los Angeles County. Accordingly, access to jobs and transit do not provide a basis to increase Alhambra’s RHNA, and the State’s goal of increasing RHNA to address existing housing needs would be better served with larger allocations in jurisdictions with better transit access and shorter commute times.

Beyond this initial overstatement of need, the draft allocation assigns an additional 525 units of housing to the City on the mistaken-assumption that Alhambra is a high-resource community, despite the fact that American Community Survey data show that the City’s median household income of \$57,117 is 12 percent below that of the County as a whole and true higher-resource communities with better job and transit access are located nearby.

Second, Alhambra’s draft allocation would encourage long drive times and increase Vehicle Miles Traveled (“VMT”) in conflict with the State’s greenhouse gas reduction targets. As described above, the American Community Survey shows a larger percentage of single drive vehicles and comparable commute times in Alhambra compared with the County as a whole. Accordingly, the State’s goal of reducing VMT to reduce carbon emissions would be better

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**City of Alhambra  
Documentation in Support of  
RHNA Appeal Request**

served with larger allocations in jurisdictions with better transit access and shorter commute times.

Third, as stated above, Alhambra’s job accessibility is comparable to the County’s as a whole. Allocating a share of Alhambra’s existing need to other Los Angeles County jurisdictions with better job access would better fulfill the State’s goals of increasing housing production in areas with better job access.

Fourth and fifth, Alhambra already has a disproportionately high percentage of lower income households, as illustrated by the American Community Survey data showing a lower median income in the City than the County as a whole. Allocating some of its share of existing housing need to higher-resource jurisdictions would be more equitable and better reflect the region’s obligation to affirmatively further fair housing.

**II. Alhambra’s RHNA Modification Request is Based on Each of the Three Statutory Grounds for Appeal.**

Appeals under Government Code section 65584.05 may be brought on three different grounds: (A) the methodology fails to adequately consider local information submitted pursuant to subdivision (b) of Section 65584.04; (B) the allocation fails to apply the methodology correctly and does not further the affirmatively furthering fair housing obligations established in subdivision (d) of Section 65584; and (C) a significant and unforeseen change in circumstances has occurred in the City. Each of the three grounds is relevant here.

*A. The methodology failed to adequately consider local information.*

On September 9, 2019, the City submitted a letter to SCAG’s RHNA Subcommittee Chair Peggy Huang raising local planning factors related to the availability of land suitable for urban development or available for conversion to residential use. Specifically, the City asked that the RHNA methodology recognize the City’s significant constraints for future residential development, such as open space deficits, incompatible industrial uses, environmental contamination, and high levels of existing density.

For example, the City includes major freeway corridors (I-10, I-710) that require adequate buffers around those locations from housing developments. Since 2005, the California Air Resources Board has warned against building new homes in high-pollution zones within 500 feet of freeways, due to the strong linkage between traffic pollution and rates of asthma, heart attacks, and other health problems. While design features can minimize these risks, air pollution rates in these areas remain high and have large health impacts on their residents. However this constraint on available land was not considered when developing or applying the RHNA methodology.

Further, the City of Alhambra is built out with a population density currently exceeding the City of Los Angeles by 1.5 times and LA County by 4.5 times. The City is also nearly entirely built out. It simply is not possible to identify sufficient vacant land to satisfy the City’s draft RHNA allocation, nor is it realistic to assume that this dense, built-out City will redevelop

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**City of Alhambra  
Documentation in Support of  
RHNA Appeal Request**

in the eight year planning period for the Sixth Cycle. The City is characterized by small, developed lots, and there are relatively few opportunities for lot consolidations or rezoning efforts that would be likely to result in new housing development. This problem is exacerbated by the newly-enacted provisions of SB 330, which impose costly replacement housing and relocation obligations on developers who seek to create new housing on land that is occupied by existing tenants. (See Gov. Code § 66300(d).) Given the built out nature of the City, SB 330 will apply broadly, but it is expected to have the effect of making residential redevelopment projects infeasible to develop. By ignoring these local characteristics, the RHNA methodology creates an impossible goal and sets the City up for failure simply by virtue of its existing development patterns and the underlying land use economics of redeveloping existing housing.

Finally, the City consistently struggles with energy reliability. SoCal Edison consistently struggles to provide power to City residents, and Alhambra has suffered more frequent and longer blackouts than surrounding communities. Residential development at the scale required to meet the City's draft RHNA allocation far exceeds any of SoCal Edison's projections for future capacity. Accordingly, the draft RHNA allocation would only exacerbate this issue, threatening the quality of life of new and future residents.

- B. *The allocation fails to apply the methodology correctly and does not affirmatively further fair housing.*

As discussed above, the draft RHNA allocation overstates the City's access to transit and proximity to employment centers, resulting in the overstatement of the City's existing housing needs. In fact, the City has comparable commute times to average Los Angeles County jurisdictions and a higher percentage of single-occupancy of drivers than the County as a whole. The City's actual transit proximity is quite limited; for example, there are no properties within the City that are within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code. These characteristics do not warrant the application of an increased RHNA share, yet SCAG applied its draft methodology to do exactly that.

Moreover, the draft methodology compounds this problem by adding another 525 units on the basis that the City is a well-resourced community that should draw RHNA allocation from other jurisdictions. The City of Alhambra also lacks open space, amenities, and quality infrastructure and has existing environmental hazards that impact the health of existing residents and represent constraints for additional housing development. According to CalEnviroScreen 3.0, the vast majority of City of Alhambra is identified as disadvantaged by various metrics given its surrounding environmental hazards, health factors, and socioeconomic demographics. Likewise, the City has a lower median income than Los Angeles County as a whole, and further concentrations of high-density development would not tend to create opportunities that are as high quality as some surrounding jurisdictions with higher incomes, better job access, and better transit service. Therefore, application of the RHNA methodology would not affirmatively further fair housing in conflict with the requirements of Government Code section 65584(d).



**City of Alhambra  
Documentation in Support of  
RHNA Appeal Request**

C. *The COVID-19 Pandemic is a significant and unforeseen change in circumstances that affects housing needs in the City.*

The RHNA allocation methodology was devised and applied before the full effects of the COVID-19 pandemic were understood, and it should be revised to account for the significant changes that have occurred in the housing market. Employees with the ability to work remotely are able to move further from traditional job centers, decreasing the importance of being near traditional employment centers. Therefore, less dense communities in the eastern portion of the SCAG region are better able to absorb new housing development without increasing VMT or demanding new transportation infrastructure investments.

In addition, the need for safe, healthy open spaces where it is possible to maintain social distancing outside of the home has grown in importance. As discussed above, Alhambra is quite dense already and suffers from a lack of adequate open space; housing opportunities are better developed elsewhere where these needs can be met.

Finally, COVID-19 has slowed the economy and reduced the demand for housing, particularly rental housing. As prices fall, existing housing within the City will become more affordable, reducing the demand for new affordable housing opportunities in the City. Therefore, the methodology should be revised to account for the significant changes in the housing market resulting from COVID-19.

**III. Beyond the RHNA Modification Request, the Regional Determination of 1.34 Million Housing Units is Flawed and Creates an Inappropriate Regional Target.**

In addition to these statutory criteria, the City believes that the overall regional determination of RHNA was flawed and inconsistent with the legal requirements imposed by Government Code Section 65584.01(a). As described in the City's February 26, 2020 letter to SCAG Executive Director Kome Ajise, the regional determination of 1.34 million housing units was not supported by evidence as required by law, and it inappropriately established RHNA targets throughout the region that are unobtainable. Likewise, the September 18, 2020 letter from each of the Orange County Mayors to SCAG President Rex Richardson raises additional details about current data demonstrating that the regional determination is fatally flawed, which the State has thus far ignored. Although this is not directly germane to the issues on appeal raised above, the City wishes to continue to express its hope that SCAG and the State take measures outside of this appeal process to consider relevant data regarding realistic growth and need projections and to ensure that the RHNA distribution methodology is equitable and achievable.

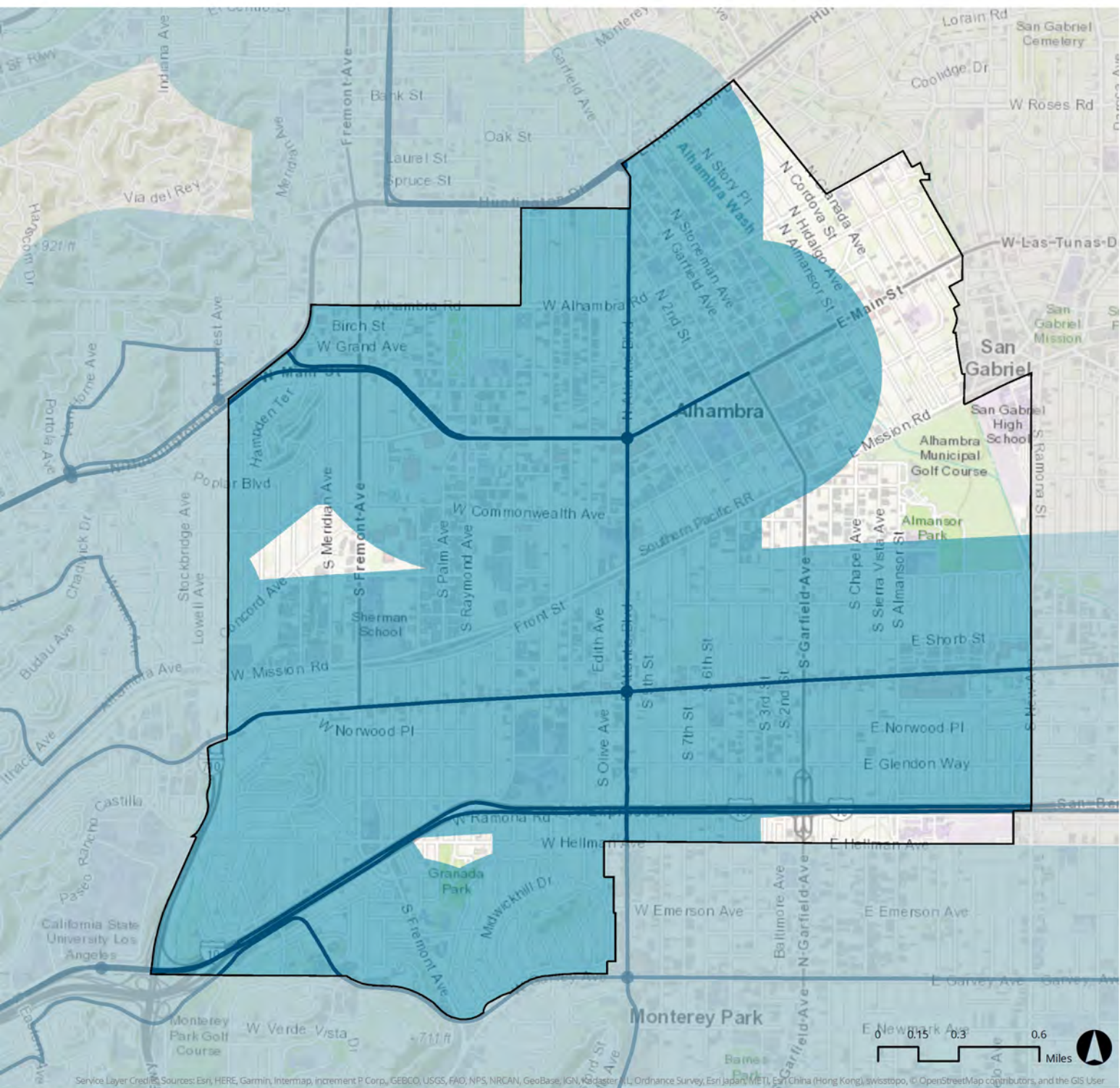
**IV. The City's RHNA Should be Reduced.**

At a minimum, Alhambra's allocation should be reduced by 525 units to reflect the fact that it is inappropriately identified as a higher-resource community. In addition, further adjustments to reflect the City's relative lack of access to housing and jobs, as well as to account for its existing built-out nature and significant infrastructure constraints, are required. The City's HCD-certified Fifth Cycle Housing Element identified approximately 53.7 acres of vacant and

**City of Alhambra  
Documentation in Support of  
RHNA Appeal Request**

underutilized land that could be developed for high-density housing. Although some of these sites have been developed or have pending development applications, due to many of the factors described above, very few of these sites have actually been developed, and 53.7 acres likely remains a reasonable estimate of land that could feasibly be developed in the coming Sixth Cycle. Assuming that every site could be developed to support 30 units/acres of base density (the minimum density to be presumed available for lower income households) plus a 35% density bonus, 2,175 units of new housing could be provided. Adding the 1,143 units that have been proposed but not yet approved in the City would result in a total RHNA allocation of 3,318 units for the Sixth Cycle. Although this would reduce the City's allocation by 3,490 units for the Sixth Cycle as compared to SCAG's draft allocation, it would still represent an increase of more than 2.2 times the figure that the City was required to accommodate during the Fifth Cycle, making the revised figure of 3,318 an aspirational, yet potentially achievable, goal.

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## Major Transit Stops and High Quality Transit Areas in City of Alhambra [Year 2045]

- Major Transit Stops
- High Quality Transit Corridors (HQTCs)
- High Quality Transit Areas (HQTAs)

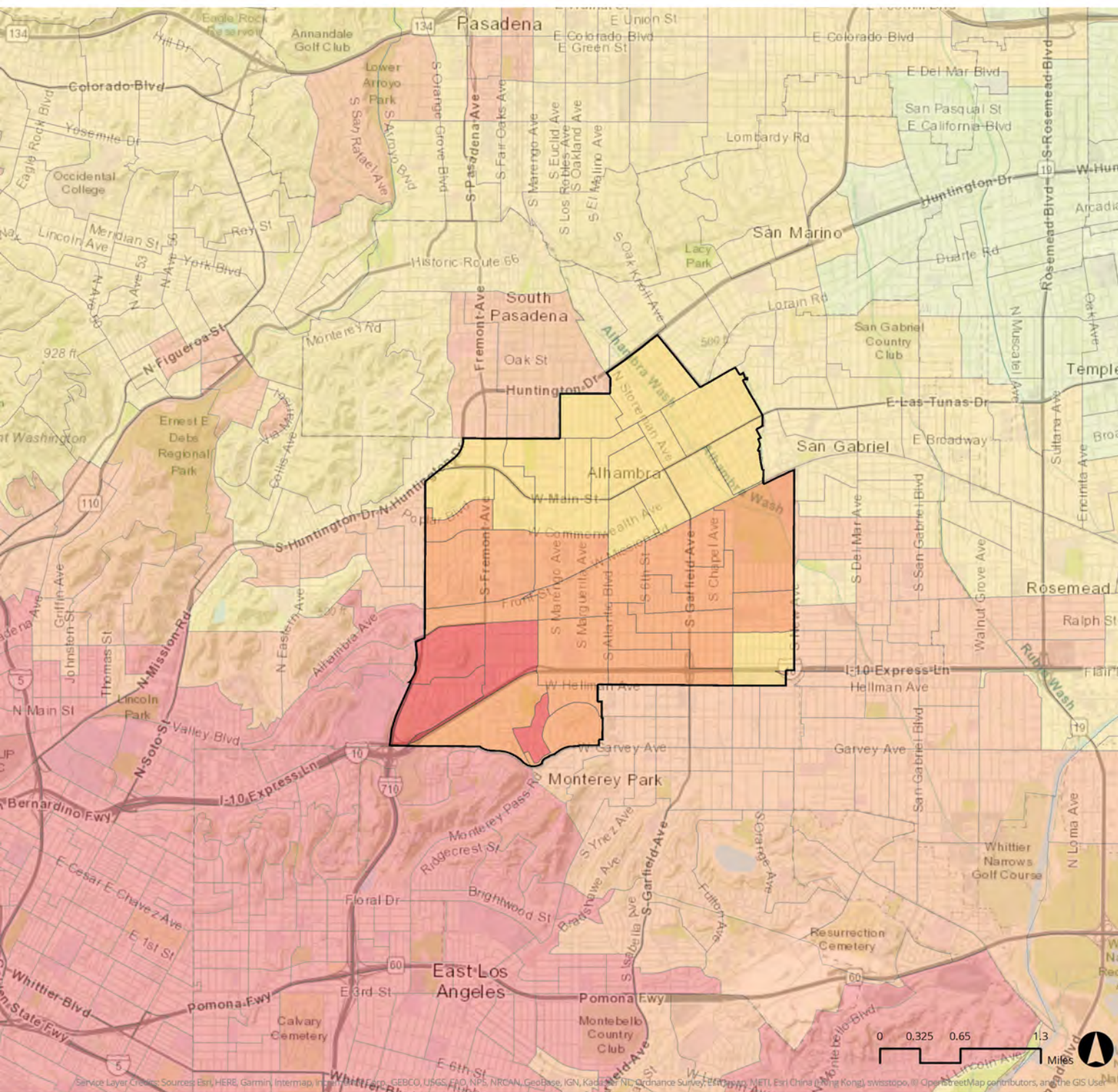
Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCs), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCs are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTA) is within one-half mile from Major Transit Stops and HQTCs and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of Alhambra. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data please refer to the SCAG Data/Map Book at [connectsocial.org/Pages/Local-Input-Process.aspx](https://connectsocial.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).

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## TAZ-level job accessibility in and around: City of Alhambra [Year 2045]



Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodology of this map, please refer to the SCAG Data/Map Book at <https://www.connectsocial.org/Pages/Local-Input-Process.aspx> or contact [RTPLocalInfo@scag.org](mailto:RTPLocalInfo@scag.org)

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Southern California Association of Governments  
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January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: Michael Gainor, Senior Regional Planner,  
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of Temple City

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of Temple City (the City) to reduce its Draft RHNA Allocation from its current draft allocation of 2,182 units to 987 units, a reduction of 1,195 units (54.8 percent).

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of Temple City requests a reduction of its RHNA allocation of 2,182 residential units based on the following seven issues:

- 1) Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA: The Final RHNA Methodology data is inaccurate and needs to be updated based on existing and reasonably ascertainable post-pandemic conditions.
- 2) Existing or projected jobs-housing balance: Temple City has few jobs and adding housing would further an existing imbalance.
- 3) Sewer or water infrastructure constraints for additional development: The existing sewer system is outdated and not designed to provide capacity for the existing units let alone additional units and raising fees would constrain development.
- 4) Regional greenhouse gas emission reduction targets: Places housing in a transit and jobs desert.
- 5) Availability of suitable land for urban development or for conversion to residential use: The City is built out with infrastructure built more than 70 years ago that is not able to accommodate the RHNA Allocation.

**OUR MISSION**

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

**OUR VISION**

Southern California's Catalyst for a Brighter Future

**OUR CORE VALUES**

Be Open | Lead by Example | Make an Impact | Be Courageous

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- 6) Affirmatively furthering fair housing: The City supports furthering fair housing but does not have sufficient transit or jobs.
- 7) Change in circumstances: COVID 19 pandemic and changes to land use.

**RATIONALE FOR STAFF RECOMMENDATION:**

SCAG staff have reviewed the appeal submitted by the City of Temple City and recommend no change be made to the City's Draft RHNA Allocation.

**Issue 1:** The City has not provided evidence that the data used in the Final RHNA Methodology was inaccurate. Rather it asserts that the data needs to be updated based on pandemic information. However, the long-term impacts of COVID-19 are speculative at this point and are not unique to any single SCAG jurisdiction, and the City has not provided evidence that housing need within Temple City is disproportionately impacted by the pandemic relative to the rest of the SCAG region.

**Issue 2:** The jobs accessibility calculation is not limited to jobs located within a jurisdiction. Jobs-housing balance is evaluated at the regional, not jurisdictional, level.

**Issue 3:** The City has not demonstrated that the agency responsible for providing its wastewater service has rendered a decision that would prevent the jurisdiction from providing the necessary infrastructure. In addition, the costs associated with an expansion of local sewer and water infrastructure capacity may not be considered a qualifying RHNA reduction factor since a jurisdiction is only required to plan for the new housing units, not actually construct them.

**Issue 4:** The data used to generate the Draft RHNA Allocations is the same as was used in the development of Connect SoCal and Connect SoCal has demonstrated achievement of all applicable regional GHG emission reduction targets.

**Issue 5:** The City does not provide sufficient evidence to demonstrate that other types of land use opportunities other than vacant land have been considered for residential development.

**Issue 6:** Social equity adjustment factors have already been included in the adopted RHNA methodology.

**Issue 7:** Supporting evidence was not provided to demonstrate that Temple City has been disproportionately burdened by COVID-19 pandemic impacts relative to the rest of the SCAG region.

**BACKGROUND:****Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on

September 11, 2020. A summary of the RHNA allocation for the City of Temple City is provided below.

**Total RHNA Allocation for the City of Temple City: 2,182 units**

Very Low Income: 628 units

Low Income: 350 units

Moderate Income: 369 units

Above Moderate Income: 835 units

Additional background information related to the Draft RHNA Allocation for Temple City is included in Attachment 1.

**Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of Temple City. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

**ANALYSIS:**

***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

*The data in the Final RHNA Methodology is inaccurate and needs to be updated based on existing and reasonably ascertainable post-pandemic conditions.*

**SCAG Staff Response:** SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs determination. Only an improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The Methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA Methodology was found by HCD to further the five statutory RHNA objectives<sup>1</sup> largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

Demand for housing as quantified by the RHNA allocation covers an eight-year planning period and the datasets considered in the RHNA methodology do not include immediate near-term impacts. Moreover, impacts from COVID-19 are not unique to any individual jurisdiction in the SCAG region, and no evidence has been provided in the appeal to indicate that housing need in Temple City has been disproportionately impacted by the pandemic relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to Temple City’s Draft RHNA Allocation in response to this factor.

***Issue 2: Existing or projected jobs-housing balance [Section 65584.04(e)(1)].***

*The City contends that its jobs/housing balance would be negatively impacted with the influx of new residential units as provided by the current RHNA allocation. The target jobs-housing ratio is 1.5, but Temple City has a ratio of 0.48 which would fall to 0.41 with the RHNA allocation. To keep the City at its current jobs-housing ratio, an additional 1,100 jobs would need to be added.*

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<sup>1</sup> The five RHNA objectives are: 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 (Govt. Code § 65584(d)).

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**SCAG Staff Response:** The adopted RHNA Methodology includes a calculation of job accessibility as one of the factors to determine a jurisdiction's draft RHNA allocation. Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute time (additional details are found in the adopted RHNA Methodology). This is not a measure of the number of jobs located within a jurisdiction; rather, it is a measure of how many regional jobs may be accessed by a jurisdiction's residents, including jobs located outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which requires an approach to assessment of the region's jobs-housing relationship through a measurement of access rather than number of jobs located within a particular jurisdiction.

As shown in Attachment 1, just over half of Temple City's RHNA allocation is based on projected need (1,140 units), with just under half (1,042 units) based on existing need.

Limiting a jobs-housing balance assessment to within the boundaries of any particular jurisdiction may effectively worsen a regional jobs-housing balance and, for this reason, SCAG staff does not recommend a reduction to the City's Draft RHNA Allocation based on this issue.

**Issue 3:** Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].

*The City contends that existing sewer infrastructure limitations are not conducive to the development of the number of new housing units currently allocated through RHNA. The City indicates that the existing sewer system is outdated and is not designed to provide capacity for even the existing housing units let alone for additional units. Raising the fees needed to provide the additional capacity would further constrain development.*

**SCAG Staff Response:** For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the sewer infrastructure constraints indicated by the City, it is not evident that an agency that is not the local jurisdiction is responsible for providing wastewater service and has rendered a decision that would prevent the City from providing the necessary infrastructure. In addition, costs to upgrade and develop appropriate sewer infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA allocation only requires a jurisdiction to plan and zone for its determined housing need and is not required to actually develop the allocated units. For these reasons, SCAG staff does not recommend a housing need reduction for Temple City based on this planning factor.

**Issue 4:** The region’s greenhouse gas emissions targets [Government Code Section 65584.04(e)(12)].

*The City contends that achievement of regional greenhouse gas (GHG) emission targets will be negatively impacted by the current RHNA allocation for Temple City. Adding housing units in areas where there are no available jobs and limited transit access will result in increased vehicle miles traveled (VMT) and GHG emissions. The allocation of thousands of new housing units to a jurisdiction, like Temple City, where there are few job destinations and limited transit service, would require new residents to travel long commute distances to work, thereby increasing VMT, congestion, air quality impacts, and GHG emissions.*

**SCAG Staff Response:** The 6th cycle RHNA does not change the population forecast from Connect SoCal for either 2029 (end of the RHNA period), or for any other year during the Connect SoCal growth forecast, including 2035, for which Connect SoCal is required to meet the applicable regional GHG emissions reduction target. Since the RHNA allocation methodology is based on transit and job access, it is designed to promote a more efficient regional development pattern which promotes public transit use, reduces commute distances, and contributes to regional per capita GHG emission reductions.

The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. “Projected need” is intended to accommodate the expected growth of population and households between 2021-2029, while “existing need” reflects the additional latent housing needs of the current population. On January 13, 2020, HCD’s finding that SCAG’s draft RHNA methodology (which was later adopted as the final RHNA methodology in March) furthered the statutory objectives of RHNA, reflected that the determination is separated into ‘projected need’ and ‘existing need’ components. “Projected need” is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan.

SCAG has allocated both “projected need” and “existing need” in a manner consistent with the development pattern identified in the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). The Connect SoCal Forecasted Regional Development Pattern is shown on Exhibit 1 of the “Sustainable Communities Strategy” Technical Report<sup>2</sup> (p. 13). Specifically, the Connect SoCal development pattern includes priority growth areas, incorporated areas, job centers, entitled projects, and spheres of influence, which together will accommodate 95 percent of regional growth through 2045. The regional development pattern reflects the strategies and policies contained in Connect SoCal.

The “projected need” element of the 6th Cycle RHNA is based on the Connect SoCal Growth Forecast and is consistent with the Connect SoCal development pattern. Specifically, each jurisdictional-level growth forecast of households is translated into “projected need” of housing

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<sup>2</sup> [https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial\\_sustainable-communities-strategy.pdf](https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial_sustainable-communities-strategy.pdf)

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units after adjusting for vacancy need and replacement need factors. The “existing need” element is allocated in a manner consistent with the Connect SoCal development pattern. Specifically, based on SCAG’s adopted RHNA methodology, “existing need” is allocated based on transit and job access, assigning 50 percent based on a jurisdiction’s share of the region’s population within HQTAs, and 50 percent based on a jurisdiction’s share of the region’s jobs that may be accessed within a 30-minute commute. Accordingly, both the “projected need” and “existing need” allocations are aligned with the strategies and policies underlying the regional development pattern of the Connect SoCal Sustainable Communities Strategy (SCS).

Increasing housing opportunities in location efficient areas is a primary strategy in Connect SoCal for reducing regional GHG emissions. Location efficiency refers to areas where single occupancy vehicle travel is minimized as a result of being near high quality transit amenities or being located near high demand travel destinations, including major employment centers. Correspondingly, RHNA allocations are assigned to jurisdictions based on measures of job accessibility and transit accessibility. The purpose of these factors in the Final RHNA Methodology was to strengthen the consistency of RHNA with the Connect SoCal regional development pattern and to further the objectives of both regional plans. This includes a focus on a regional jobs-housing balance, reducing commute times and distances, and planning for growth near transit investments.<sup>3</sup>

Based on the data used in the Final RHNA Methodology, Temple City households will be able to access 11.3 percent of the SCAG region’s jobs within a 30-minute commute time in 2045. This places Temple City close to the regional median, or 52<sup>nd</sup> percentile. Nearly 13 percent of the City’s 2045 population will be located within an HQTA, which places the City in the 42<sup>nd</sup> percentile for the region. These data points suggest that the City is not isolated in regard to job and transit accessibility, and it has received an appropriate share of regional housing need based on these attributes of the Final Methodology to further the goals of Connect SoCal.

The more efficient regional development pattern envisioned by Connect SoCal will result in a reduction of per capita GHG emissions in a manner that is consistent with the SCS for meeting the regional GHG emissions targets established by CARB. For this reason, SCAG staff does not recommend a reduction to Temple City’s Draft RHNA Allocation based on this issue.

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<sup>3</sup> Connect SoCal (p. 49): [https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial-plan\\_0.pdf?1606001176](https://scag.ca.gov/sites/main/files/file-attachments/0903fconnectsocial-plan_0.pdf?1606001176)

**Issue 5: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].**

*The City contends that it has limited availability of suitable land for urban development or conversion to residential use. As a result of being a fully built-out city, Temple City has very limited opportunities for new residential development on existing vacant lands. Constructing multi-family housing or significant amounts of new single-family housing in a fully built-out city like Temple City is extremely difficult. Other than small remnant parcels left over from peculiar subdivisions, the City does not contain significant vacant property that may be easily aggregated to provide for the required number of new housing units.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality” (which includes General Plan land use policies). “Available land suitable for urban development or conversion to residential use”, as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for residential development. This includes underutilized land, opportunities for infill development and increased residential densities, alternative zoning, and accessory dwelling units. Alternative development opportunities should be explored further to provide the land needed to zone for the City’s projected growth. Land use capacity that is restricted by factors unrelated to existing or projected housing need may not be used to determine a jurisdiction’s existing or projected housing need. Therefore, SCAG staff does not recommend a reduction to Temple City’s Draft RHNA Allocation based on this issue.

**Issue 6: Affirmatively furthering fair housing.**

*Temple City's policies and history demonstrate that the City affirmatively supports furthering fair housing. Over the last four decades, Temple City has become more racially diverse than Los Angeles County and has nearly the same percentage of residents in poverty as Los Angeles County. The City understands the importance of providing additional housing to further the goal of fair housing. However, this goal should be implemented in a manner that is also supportive of "smart growth". Requiring more housing units beyond the norm established by previous RHNA cycles in a community where transit opportunities and jobs opportunities are significantly limited from a land use perspective does not help further the fair housing objective.*

**SCAG Staff Response:** One of the five statutory objectives of RHNA is to ensure that the RHNA allocation plan allocates “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”. While SCAG staff recognizes that Temple City has made laudable efforts to facilitate the objectives of fair housing within its community, the RHNA Methodology addresses factors related to poverty and income disparity through its social equity adjustment and the inclusion of access to resources as an influencing factor.

To further the objectives of allocating a lower proportion of households by income and affirmatively furthering fair housing, the RHNA Methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an “Affirmatively Furthering Fair Housing” (AFFH) adjustment. A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. It does so by adjusting current household income distribution relative to the county distribution. The result is that jurisdictions that have a higher concentration of lower income households than the county will receive lower percentages of RHNA for the lower income categories.

Prior to the social equity adjustment, 23 percent of Temple City’s households are considered “very low” income, 14 percent are considered “low” income, 15 percent are considered “moderate” income, and 48 percent are considered above “moderate” income.

Income Category	Temple City	Los Angeles County
Very Low	23%	25%
Low	14%	16%
Moderate	15%	18%
Above Moderate	48%	42%

As shown in the table above, the distribution of very low and low-income households for the City is *lower* than the County distribution. At the same time, the City has a higher concentration of above moderate households than the County (48 percent compared to 42 percent). Additionally, when considering access to resources, 0 percent of the City's population is within a very low resource area, while 52 percent of its population has a high level of access to resources, as measured by the Final RHNA Methodology's opportunity indices. These data points suggest that, while the City may be comparable to the County's income distribution, it is still higher than the County. To account for these factors, the City received a social equity adjustment of 150%, which is the minimum social equity adjustment within the Final RHNA Methodology. Therefore, the RHNA methodology has already accounted for this objective to ensure that an overconcentration of lower income households is not allocated to currently impacted areas. For this reason, SCAG staff does not recommend a reduction to Temple City's Draft RHNA Allocation based on this issue.

***Issue 7: Changed circumstances [Government Code Section 65584.05(b)].***

*The COVID-19 pandemic has resulted in potentially significant unknown changes in circumstances to the development of housing throughout California. Creating more housing, likely at higher densities for affordable housing, may present a challenge due to needs for social distancing and other concerns related to disease spread. The nature of work and the types of jobs available may also have long-ranging impacts on housing allocation and transportation infrastructure in the region.*

**SCAG Staff Response:** While SCAG recognizes that the COVID-19 pandemic presents unforeseen circumstances, the facts presented by the City do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04(b)." The COVID-19 pandemic has had various impacts throughout Southern California, however, to date it has not resulted in a slowdown in major construction nor has it resulted in a decrease in demand for housing or housing need. In fact, Southern California home values have continued to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation reflects a need that covers an eight-year period, that is not unduly influenced by immediate near-term impacts. Moreover, impacts from the COVID-19 pandemic are not unique to any single SCAG jurisdiction and no evidence has been provided in the City' appeal to demonstrate that housing need in Temple City has been disproportionately impacted relative to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to Temple City's Draft RHNA Allocation in response to this issue.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

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**ATTACHMENT(S):**

1. Local Input and Development of Draft RHNA Allocation (City of Temple City)
2. Appeal Letter (City of Temple City)
3. Appeal Form (City of Temple City)
4. Map of High Quality Transit Areas in the City of Temple City (2045)
5. Map of Job Accessibility in the City of Temple City (2045)

## Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Temple City had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop Temple City’s Draft RHNA Allocation.

### 1. Local input

#### *a. Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For Temple City, the projected number of households in 2020 was 11,934 and in 2030 was 12,886 (growth of 952 households). In January 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and to answer questions. Input from the City of Temple City on

<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires local jurisdictions to make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>



the growth forecast was received in October 2018. Following this input, household totals were revised to 11,903 in 2020 and 13,248 in 2030, for a final household growth during this period of 1,345.

**b. RHNA Methodology Surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Temple City submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**c. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG’s Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections obtained through the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to help achieve the SCAG region’s GHG reduction targets, as established by the California Air Resources Board (CARB) in accordance with state planning law.

Additional details regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council’s decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG’s Scenario Planning Model Data Management (SPM-DM) site at: <http://spmdm.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to

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the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Temple City which differed from the Growth Vision. The City’s TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

**2. Development of the Final RHNA Methodology**

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG’s 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

- 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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes.*

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*In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).*

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data obtained through Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### 3. Draft RHNA Allocation for the City of Temple City

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Temple City received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Temple City as summarized in the data and calculations provided in the table below.

<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1:

[https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

City of Temple City Statistics and Inputs		Calculation of Draft RHNA Allocation for Temple City	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	1,110	Forecasted household (HH) growth, RHNA period:	1,110
Percent of households who are renting:	36%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	31
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	3,285	TOTAL PROJECTED NEED:	1,140
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	11.31%	Existing need due to job accessibility (50%):	735
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,137,000	Existing need due to HQTAs pop share (50%):	217
Share of region's job accessibility (population weighted):	0.18%	Net residual factor for existing need:	90
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	5,311	TOTAL EXISTING NEED:	1,042
Share of region's HQTAs population (2045):	0.05%	<b>TOTAL RHNA FOR THE CITY OF TEMPLE CITY:</b>	<b>2,182</b>
Share of population in low/very low-resource tracts:	0.10%	Very-low income (<50% of AMI):	628
Share of population in very high-resource tracts:	52.24%	Low income (50-80% of AMI):	350
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	369
		Above moderate income (>120% of AMI):	835

The transit accessibility measure is based on the population projected to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted population of 5,311 living within HQTAs, Temple City will account for 0.05% of the SCAG region's total 2045 HQTAs population, which provides the basis for allocating housing units based on the transit accessibility factor.

Job accessibility is defined as a jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the adopted RHNA methodology uses a measure based on Connect SoCal travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached within a 30-minute automobile commute from a local jurisdiction's median TAZ is used to

allocate housing units based on job accessibility. From Temple City’s median TAZ, it will be possible to reach 11.31 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,137,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered ‘Disadvantaged Communities’ (DACs) based on access to opportunity measures (described in the RHNA methodology), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as ‘residual need’, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 90 units assigned to the City of Temple City.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.



# PLANNING DIVISION

CITY OF TEMPLE CITY 9701 LAS TUNAS DR. TEMPLE CITY, CA 91780 (626) 285-2171

October 26, 2020

SCAG RHNA Appeals Board  
Southern California Association of Governments  
900 Wilshire Blvd, Ste 1700  
Los Angeles, CA 90017

RE: Temple City RHNA Allocation Appeal Letter

Honorable Chair and Members of the RHNA Appeals Board:

We appreciate the work the Committee does to plan for the region's housing growth fairly and intelligently. The basic methods and ideas used are reasonable at a regional level. However, we believe that when applied to Temple City this one-size-fits-all approach needs adjusting to reflect Temple City's unique place in the region. Furthermore, we believe that the methodology needs to be reapplied based on new information that demonstrates the COVID-19 pandemic's influence on housing needs in general and anticipated housing types in particular. The following serves as supporting documentation to Temple City's RHNA allocation appeal and is meant to provide a clearer and fuller argument on Temple City's bases for appeal.

### **Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA**

The data in the final RHNA methodology is inaccurate and needs to be updated based on existing (i.e. pandemic-affected) and reasonably ascertainable post-pandemic conditions. The RHNA allocation is based on the following data which has changed drastically:

- *The number of jobs available within 30 minutes* – As people work from home and businesses have stated that they will allow for continued working from home in the future, the location of jobs and their distance from homes have been affected without reflection in the RHNA allocation.
- *Vacancy rates* – People have moved out of higher-density living, and demand in ex-urban locations has increased. Jurisdictions hard hit by the pandemic will likely see

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increases in vacancy rates as eviction moratoriums end; the RHNA allocations must take these changes in demand into account.

- *Jurisdiction incomes* – Some lower-wage workers (grocery store clerks, delivery people, and such) have been able to maintain their jobs and keep their income while higher-wage (tourism jobs, entertainment industry, restaurant owners, and such) have not; the RHNA allocations must take into account measurable changes in housing demand across income levels.

### **Existing or projected jobs-housing balance**

The California State Department of Finance estimates that in 2020 the City of Temple City has 12,369 housing units ([link](#)). The proposed total RHNA allocation for Temple City would have the City plan for an additional 2,182 housing units. The City has 5,965 jobs and a population of 36,150 for a current jobs-housing ratio of 0.48. Temple City is a bedroom community with very few jobs in its jurisdictional boundaries due to the way the City was incorporated in 1960. Placing an additional 2,182 housing units at the current persons-per-household rate of 3.04, the City would plan for an additional 6,633 residents. This would only exacerbate the City's current jobs-housing imbalance. The American Planning Association states that a target jobs-housing ratio is 1.5, with a recommended range of 1.3 to 1.7, as compared to the 0.48 ratio in Temple City. The proposed RHNA allocation would move the City's jobs-housing ratio even further from the ideal, seeing it fall from 0.48 to 0.41. Just to keep the City at its current jobs-housing ratio, Temple City would need to add approximately 1,100 jobs or the equivalent of 3 Wal-Mart stores; an impossibility given that the City is completely built out, and--except for school campuses--does not have sites large enough to house 1,100 jobs.

### **Sewer or water infrastructure constraints for additional development**

Temple City's most recent [Sewer Master Plan](#) demonstrates that the City's sewer system is inadequate to provide sufficient capacity for the proposed RHNA allocation. Most of the sewer system is clay pipe laid in the 1950s and 1960s, much of which has reached and exceeded its life expectancy (50 to 60 years). In terms of the deficiency, the City's Sewer Master Plan of 2017 identified four levels of deficiency classified as Priority 1 through Priority 4. The sewer system was never designed to provide capacity for the 12,369 housing units, let alone the additional 2,182 housing unit proposed to be allocated in this RHNA cycle. CEQA would normally require new development to pay for its impact on the existing system. However, the difficulty is that the City cannot collect impact fees from accessory dwelling units to provide needed sewer infrastructure. In addition, raising impact fees to the levels required to provide sufficient sewer capacity would be considered a constraint on housing by the State of California Housing and Community Development Department. The addition of 2,182 additional units, with the financial

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be a herculean task in a city that simply lacks sufficient and suitable land. In a built-out city with infrastructure constructed more than 70 years ago, it is important to phase in growth over a longer time frame to allow the expansion of very costly infrastructure. Placing such a large demand on the City's sewers system without the time or funds to increase capacity could lead to sewage overflows into stormwater systems, a result that has occurred in neighboring jurisdiction and leads to dramatic environmental impacts. Pressing decades of growth into such a short span will place a heavy burden on the City's infrastructure that will create unanticipated consequences and financial burdens for the City and property owners.

### **Affirmatively furthering fair housing**

Temple City's policies and history show that the City affirmatively supports furthering fair housing. Over the last four decades, Temple City has become more racially diverse than Los Angeles County and has nearly the same percentage of residents in poverty as Los Angeles County (see Attachment A). The City understands the importance of providing additional housing in Temple City to further the goal of fair housing. This important goal should be implemented in a manner that also supports "smart growth," as the City and the Community thoughtfully demonstrated in its most recent General Plan update. Requiring more housing units beyond the historical norm of the past few RHNA cycles in a community where transit opportunities and jobs opportunities are significantly challenged from a land use perspective does not help further this vital objective.

### **Changed circumstances per government code 65584.05(b) – COVID-19.**

With the COVID-19 pandemic, how and where people work, where they live and want to live, and their use of transit have all changed dramatically. On October 1, the San Francisco Chronicle ran an article entitled "S.F. hits highest office vacancy rate in nearly a decade." The commercial real estate firm CBRE reported that in the second quarter leasing activity fell by 44 percent in comparison with the second quarter of 2019. How people work and where they work has changed dramatically. This has and will change the underlying assumptions on which the RHNA allocation was determined. In addition, SCAG's own "Snapshot of COVID-19 Transportation Impacts in the SCAG region" shows that in the SCAG region bus ridership is down 71 percent from April 2020 to April 2019. Rail ridership in Los Angeles has declined 67.9 percent, year-over-year.

Governments need more information and time to study the changing plans and desires of the public in order to determine whether additional housing and employment should be planned around higher density transit stations in the urban core or at transit stations in the suburbs. Government bodies and transit agencies need to consider whether housing should be placed

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adjacent to transit lines or stations that demonstrated high use pre-pandemic, or whether bus lines should be reimagined based on anticipated new transit patterns. Jurisdictions need more time to watch how these travel patterns, economic changes, land use changes, working patterns, housing preference changes will continue to affect the underlying assumptions of this RHNA allocation. Simply allocating many units to a transit and jobs “desert” as described above runs counter not only to current methodologies but to intelligent long-term regional planning.

### Conclusion

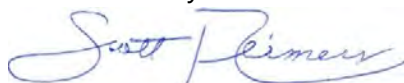
In earnestly updating the City's General Plan, Temple City has honestly demonstrated a sincere effort to meet the State's objective of providing more housing in a manner that affirmatively furthers fair housing. The unprecedented housing allocation reflected in the draft RHNA allocation for Temple City is not:

- Realistic or achievable
- Good planning
- Based on the most recent data which was affected by the COVID-19 pandemic
- Improving the City's jobs-housing balance
- Considering the City's sewer capacity
- In-line with SCAG's S.C.S. and greenhouse gas emission goals
- Reflective of the lack of suitable land
- Supportive of affirmatively furthering fair housing

The City appreciates the difficult position that SCAG is in and is grateful for the time and attention to the City's appeal request and respectfully requests a reasonable and realistic revised RHNA allocation.

Should you have any questions regarding this matter, please do not hesitate to contact me at (626) 285-2171 or [sreimers@templecity.us](mailto:sreimers@templecity.us).

Sincerely,



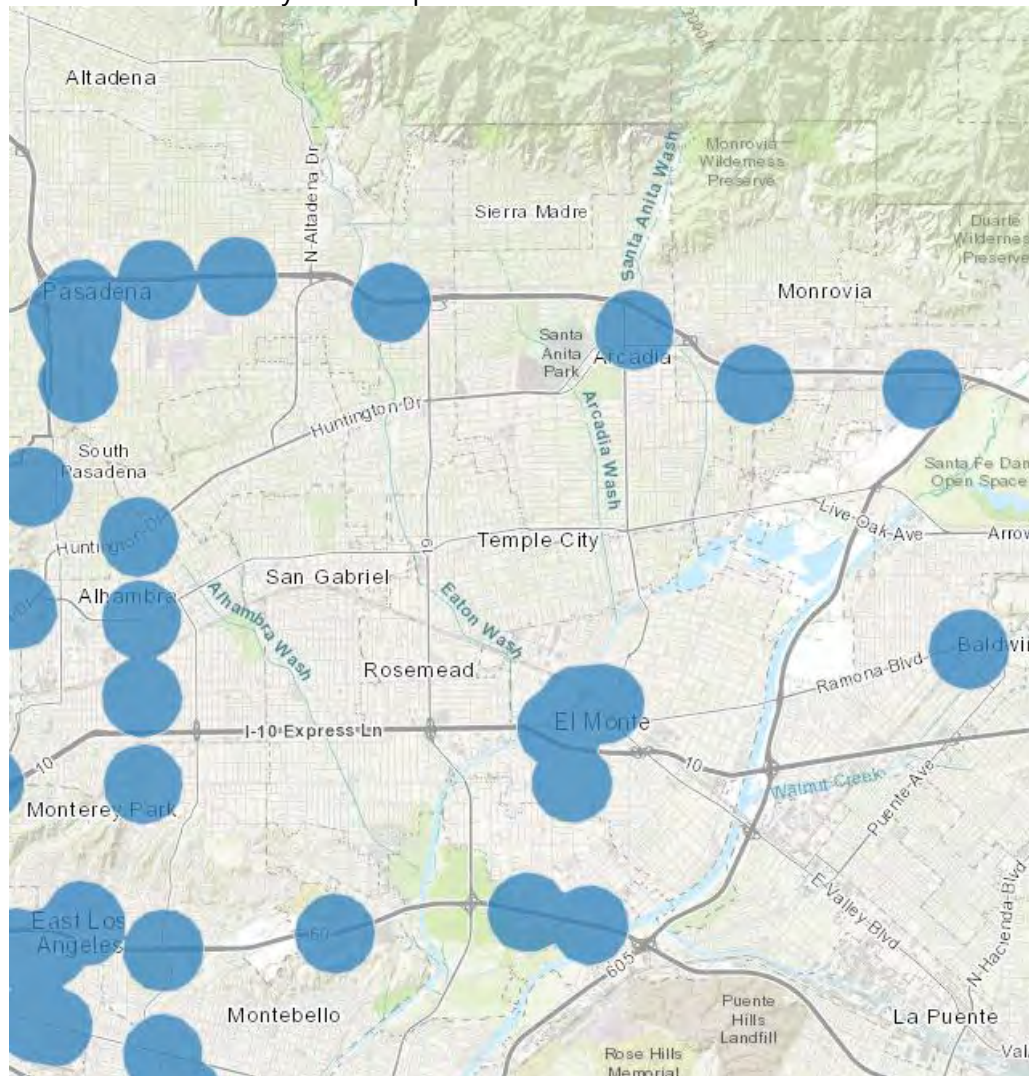
Scott Reimers  
Community Development Director

*Enclosed: Attachment A (Transit Priority Map, Jobs Map, Temple City and Los Angeles County Census Quick Facts)*

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# ATTACHMENT A

SCAG's Transit Priority Area Map 2045

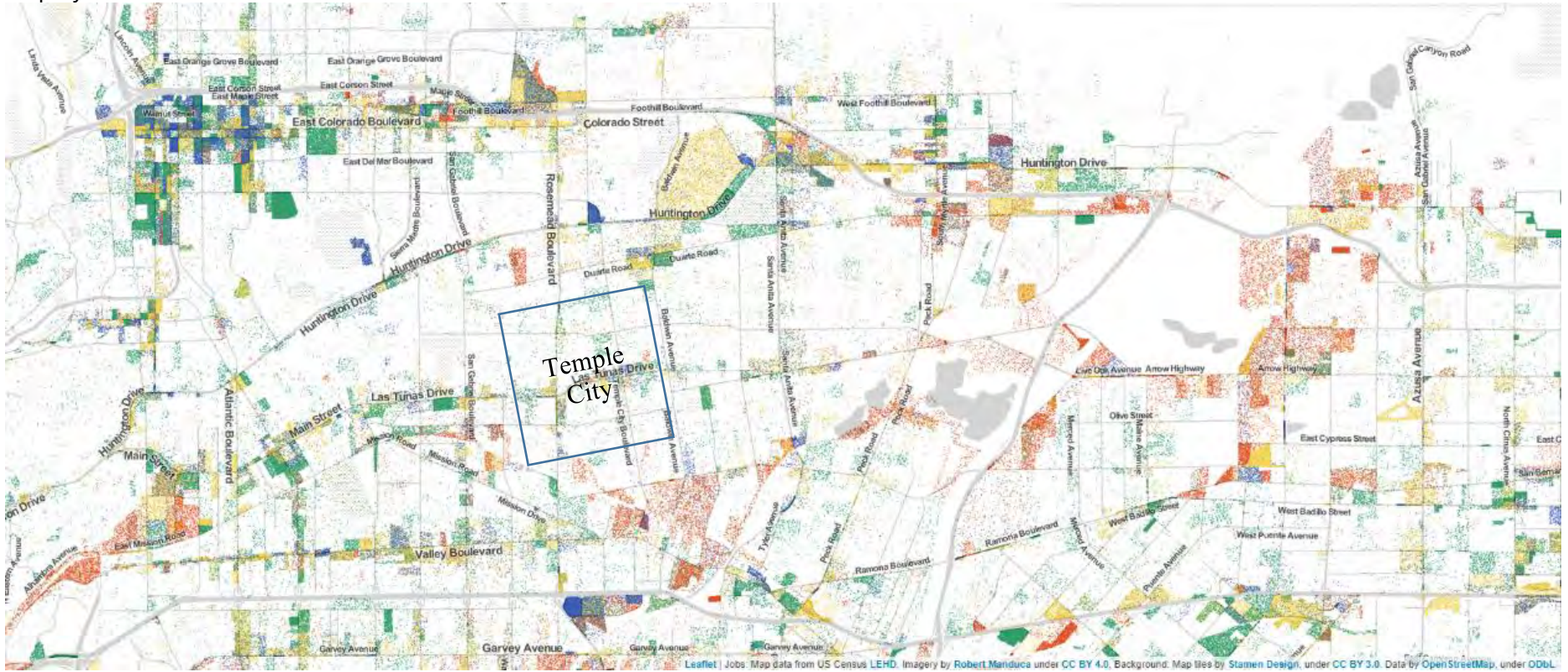


[WebLink](#)

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# ATTACHMENT A – CONTINUED

Employment in America, 2014



<http://www.robertmanduca.com/projects/jobs.html>

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# ATTACHMENT A – CONTINUED

## Los Angeles County Census Quick Facts Race and Hispanic Origin

United States  
**Census**  
Bureau
What's New & FAQs >

**QuickFacts**  
**Los Angeles County, California**

QuickFacts provides statistics for all states and counties, and for cities and towns with a **population of 5,000 or more**.

-- Select a fact --

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**Table**

Race and Hispanic Origin

Los Angeles County, California

Population estimates, July 1, 2019, (V2019)
10,039,107

PEOPLE

Race and Hispanic Origin	
White alone, percent	70.7%
Black or African American alone, percent (a)	9.0%
American Indian and Alaska Native alone, percent (a)	1.4%
Asian alone, percent (a)	15.4%
Native Hawaiian and Other Pacific Islander alone, percent (a)	0.4%
Two or More Races, percent	3.1%
Hispanic or Latino, percent (b)	48.6%
White alone, not Hispanic or Latino, percent	26.1%

<https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia>

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# ATTACHMENT A – CONTINUED

## Temple City Census Quick Facts Race and Hispanic Origin



### QuickFacts Temple City city, California

[What's New & FAQs >](#)

QuickFacts provides statistics for all states and counties, and for cities and towns with a **population of 5,000 or more**.

#### Table

Race and Hispanic Origin	Temple City city, California
<b>Population estimates, July 1, 2019, (V2019)</b>	<b>35,811</b>
<b>PEOPLE</b>	
<b>Race and Hispanic Origin</b>	
White alone, percent	22.9%
Black or African American alone, percent (a)	0.6%
American Indian and Alaska Native alone, percent (a)	0.5%
Asian alone, percent (a)	62.0%
Native Hawaiian and Other Pacific Islander alone, percent (a)	0.4%
Two or More Races, percent	2.6%
Hispanic or Latino, percent (b)	19.9%
White alone, not Hispanic or Latino, percent	15.4%

<https://www.census.gov/quickfacts/templecitycalifornia>

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# ATTACHMENT A – CONTINUED

## Los Angeles County Census Quick Facts Income and Poverty



### QuickFacts

What's New & FAQs >

### Los Angeles County, California

QuickFacts provides statistics for all states and counties, and for cities and towns with a **population of 5,000 or more**.

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FACEBOOK

#### Table

Income & Poverty	Los Angeles County, California
<b>Population estimates, July 1, 2019, (V2019)</b>	<b>10,039,107</b>
<b>PEOPLE</b>	
<b>Income &amp; Poverty</b>	
Median household income (in 2018 dollars), 2014-2018	\$64,251
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$32,469
Persons in poverty, percent	14.2%

<https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia>

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# ATTACHMENT A – CONTINUED

## Temple City Census Quick Facts Income and Poverty



### QuickFacts Temple City city, California

What's New & FAQs >

QuickFacts provides statistics for all states and counties, and for cities and towns with a *population of 5,000 or more*.

#### Table

Income & Poverty	Temple City city, California
Population estimates, July 1, 2019, (V2019)	35,811
<b>PEOPLE</b>	
<b>Income &amp; Poverty</b>	
Median household income (in 2018 dollars), 2014-2018	\$70,984
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$29,976
Persons in poverty, percent	11.5%

<https://www.census.gov/quickfacts/templecitycalifornia>

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## 6th RHNA Cycle Appeals Procedures

Pursuant to Government Code section 65584.05, any local jurisdiction within the SCAG region may file an appeal to modify its allocated share or another jurisdiction's share of the regional housing need included as part of SCAG's Draft Regional Housing Needs Assessment (RHNA) Allocation Plan, hereinafter referred to as the "Draft RHNA Plan." The California Department of Housing and Community Development, hereinafter referred to as "HCD", may also file an appeal to one or more jurisdiction's draft RHNA allocation. No appeal shall be allowed relating to post-appeal reallocation adjustments made by SCAG, as further described in Section II, below.

### **I. APPEALS PROCESS**

#### **A. DEADLINE TO FILE**

The period to file appeals shall commence on September 11, 2020<sup>1</sup>, which shall be deemed as the date of receipt by jurisdictions and HCD of the draft RHNA Plan. In order to comply with Government Code § 65584.05(b), a jurisdiction or HCD seeking to appeal a draft allocation of the regional housing need must file an appeal by 5:00 p.m. October 26, 2020. Late appeals shall not be accepted by SCAG.

#### **B. FORM OF APPEAL**

The local jurisdiction shall state the basis and specific reasons for its appeal on the RHNA Appeal Request Form prepared by SCAG, a copy of which is attached hereto as Exhibit "A". Additional documents may be submitted by the local jurisdiction as attachments, and all such attachments should be properly labeled and numbered.

#### **C. BASES FOR APPEAL**

Local jurisdictions shall only file an appeal based upon the criteria listed below. In order to provide guidance to potential appellants, SCAG's Final RHNA Methodology for the 6<sup>th</sup> Housing Element Cycle (2021-2029) (Final RHNA Methodology) approved by SCAG's Regional Council on March 5, 2020, is attached hereto as Exhibit "B". Appeals based on "change of circumstance" can only be filed by the jurisdiction or jurisdictions where the change in circumstance occurred.

Pursuant to Government Code Section 65584.05, filed appeals must include a statement as to why the revision is necessary to further the intent of the objectives listed in Section 65584. Additionally, Government Code Section 65584.05(b) requires that all

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<sup>1</sup> The period to file appeals shall commence on the eighth day after the Regional Council adopts the Final Connect SoCal in its entirety, and all the subsequent dates in this Appeals Procedures shall be adjusted accordingly.

filed appeals must be consistent with, and not to the detriment of, the development pattern in the sustainable communities strategy, or SCAG’s Connect SoCal Plan, pursuant to Government Code Section 65080(b)(2).

1. Methodology – That SCAG failed to determine the jurisdiction’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five objectives listed in Government Code Section 65584(d).
  
2. Local Planning Factors and Information Affirmatively Furthering Fair Housing (AFFH) – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5) including the following:
  - a. Each jurisdiction’s existing and projected jobs and housing relationship.
  - b. The opportunities and constraints to development of additional housing in each jurisdiction, including the following:
    - (1) lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;
    - (2) the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities;
    - (3) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or

preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.

- (4) County policies to preserve prime agricultural land, as defined pursuant to Government Code § 56064, within an unincorporated area, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.
- c. The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- d. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- e. The loss of units contained in assisted housing developments, as defined in Government Code § 65583(a)(9), that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- f. The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- g. The rate of overcrowding.
- h. The housing needs of farmworkers.
- i. The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- j. The loss of units during a state of emergency that was declared by the Governor pursuant to the California

Emergency Services Act (Chapter 7(commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis. For purposes of these guidelines, this applies to loss of units during a state of emergency occurring since October 2013 and have not yet been rebuilt or replaced by the time of the development of the draft RHNA methodology, or November 7, 2019.

- k. The region’s greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080, to be met by SCAG’s Connect SoCal Plan.
  - l. Information based upon the issues, strategies, and actions that are included, as available in an Analysis of Impediments to Fair Housing Choice or an Assessment of Fair Housing completed by any city or county or the California Department of Housing and Community Development, and in housing elements
3. Changed Circumstances – That a significant and unforeseen change in circumstance has occurred in the jurisdiction after April 30, 2019 and merits a revision of the information previously submitted by the local jurisdiction. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

**D. LIMITS ON SCOPE OF APPEAL**

Existing law explicitly limits SCAG’s scope of review of appeals. Specifically, SCAG shall not grant any appeal based upon the following:

1. Any other criteria other than the criteria in Section I.C above.
2. A local jurisdiction's existing zoning ordinance and land use restrictions, including but not limited to, the contents of the local jurisdiction's current general plan. Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.
3. Any local ordinance, policy, voter-approved measure or standard limiting residential development. Pursuant to Government Code Section 65584.04(g)(1), any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits shall not be a justification for a determination or a reduction in a city's or county's share of regional housing need.
4. Prior underproduction of housing in a jurisdiction from the previous regional housing need allocation. Pursuant to Government Code Section 65584.04)(g)(2), prior underproduction of housing in a jurisdiction from the previous housing need allocation, as determined by each jurisdiction's annual production report submitted to Government Code Section 65400(a)(2)(H) cannot be used as a justification for a determination or reduction in a jurisdiction's share of the regional housing need.
5. Stable population numbers in a jurisdiction. Pursuant to Government Code Section 65584.04(g)(3), stable population growth from the previous regional housing needs cycle cannot be used as a justification for a determination or reduction in a jurisdiction's share of the regional housing need.

**E. COMMENTS ON APPEALS**

At the close of the appeals period as set forth in I.A., SCAG shall notify all jurisdictions within the region and HCD of all appeals and shall make all materials submitted in support of each appeal available on its website after the close of the appeals filing period. Local jurisdictions and HCD may comment on one or more appeals within the 45 days following the end of the appeals filing period. All comments must be filed by 5:00 p.m. December 10, 2020. No late comments shall be accepted by SCAG.

**F. HEARING BODY**

SCAG’s Regional Council has delegated the responsibility of considering appeals regarding draft allocations to the RHNA Subcommittee, also referred to as the RHNA Appeals Board. All provisions of the RHNA Subcommittee’s charter shall apply with respect to the membership and conduct of the appeal hearings. Per the RHNA Subcommittee charter, which was adopted on February 7, 2019 by the Regional Council, ex-officio members may participate as non-voting members of the RHNA Subcommittee and by extension the RHNA Appeals Board, and are not counted for purposes of a quorum. Also per the RHNA Subcommittee charter, all decisions made by the RHNA Appeals Board are considered final and will not be reviewed by the SCAG CEHD Committee or Regional Council.

**G. APPEAL HEARING**

SCAG shall conduct one public hearing to consider all appeals filed and comments received on the appeals no later than January 10, 2021. This public hearing may be continued (over several days if necessary) until all appeals are heard. Notice shall be provided to the appealing jurisdictions, commenting jurisdictions, and HCD at least 21 days in advance of the hearing. Per Government Code Section 65584.05(i), SCAG may extend the deadline to conduct the appeals hearing by up to thirty (30) days.

The appeal hearing may take place provided that each county is represented either by a member or alternate of the RHNA Appeals Board. Alternates are permitted to participate in the appeal hearing, provided however, that each county shall only be entitled to one vote when deciding on the appeal. Ex-officio members may participate as non-voting members of the RHNA Appeals Board and are not counted for purposes of a quorum. In alignment with the adopted RHNA Subcommittee charter, in the event the hearing involves the member’s or alternate’s respective jurisdiction, the member or alternate may elect not to participate in the discussion and vote by the RHNA Subcommittee regarding such appeal.

Due to the public health situation that began in late Winter 2020, RHNA appeals hearings may be conducted via teleconference per State-adopted emergency amendments to the Brown Act. SCAG staff will continue to apprise the public on any updates to meeting procedures and will include all information in the public noticing of the appeal hearings.

**Appeal Hearing Procedures**

The hearing(s) shall be conducted to provide applicants and jurisdictions that did not file appeals but are the subject of an appeal, with the opportunity to make their case regarding a change in their draft regional housing need allocation or another

jurisdiction's allocation, with the burden on the applicants to prove their case. The appeals hearings will be organized by the specific jurisdiction subject to an appeal or appeals and will adhere to the following procedures:

**1. Initial Arguments**

Applicants who have filed an appeal for a particular jurisdiction will have an opportunity to present their request and reasons to grant the appeal. In the event of multiple appeals filed for a single jurisdiction, the subject jurisdiction will present their argument first if it has filed an appeal on its own draft RHNA allocation. Applicants may present their case either on their own, or in coordination with other applicants, but each applicant shall be allotted five (5) minutes each. If the subject jurisdiction did not file an appeal on its own draft RHNA allocation, it will be given an opportunity to present after all applicants have provided initial arguments on their filed appeals. Any presentation from the jurisdiction who did not appeal but is the subject of the appeal is limited to five (5) minutes unless it is responding to more than one appeal, in which case the jurisdiction is limited to eight (8) minutes.

**2. Staff Response**

After initial arguments are presented, SCAG staff will present their recommendation to approve or deny the appeals filed for the subject jurisdiction. The staff response is limited to five (5) minutes .

**3. Rebuttal**

Applicants and the jurisdiction who did not file an appeal but is the subject of the appeal may elect to provide a rebuttal but are limited to the arguments and evidence presented in the staff response. Each applicant and the subject jurisdiction that did not file an appeal on its own draft RHNA allocation will be allotted three (3) minutes each for a rebuttal.

**4. Extension of Time Allotment**

The Chair of the Appeals Board may elect to grant additional time for any presentation, staff response, or rebuttal in the interest of due process and equity.

**5. Appeal Board Discussion and Determination**

After arguments and rebuttals are presented, the RHNA Appeals Board may ask questions of applicants, the subject jurisdiction (if present), and SCAG staff. The Chair of the Appeals Board may request that questions

from the Appeals Board be asked prior to a discussion among Appeals Board members. Any voting Board member may make a motion regarding the appeal(s) for the subject jurisdiction. The Appeals Board is encouraged to make a single determination on the subject jurisdiction after hearing all arguments and presentations on each subject jurisdiction.

The RHNA Appeals Board need not adhere to formal evidentiary rules and procedures in conducting the hearing. An appealing jurisdiction may choose to have technical staff present its case at the hearing. At a minimum, technical staff should be available at the hearing to answer any questions of the RHNA Appeals Board.

#### **H. DETERMINATION OF APPEAL**

The RHNA Appeals Board shall issue a written final determination on all filed appeals after the conclusion of the public hearing(s). The written final determination shall consider all arguments and comments presented on revising the draft RHNA allocation of the subject jurisdiction and make a determination for each subject jurisdiction. The final determinations shall be based upon the information and methodology set forth in Government Code section 65584.04 and whether the revision is necessary to further the objectives listed in Government Code section 65584(d). The final determination shall include written findings as to how the determination is consistent with Government Code section 65584.05. The decision of the RHNA Appeals Board shall be final, and local jurisdictions shall have no further right to appeal.

In accordance with existing law, the final determination on an appeal by the RHNA Subcommittee may require the adjustment of allocation of a local jurisdiction that is not the subject of an appeal. Specific adjustments to jurisdictions not the subject of an appeal as a result of an appeal will be included as part of the Appeal Board's determination. These specific adjustments may be excluded from the cumulative total adjustments required to be reallocated as described in Section II of these Appeals Guidelines if it is included as part of the appeals determination of the subject jurisdiction.

#### **I. ALTERNATIVE DATA REQUIREMENTS**

To the extent a local jurisdiction submits admissible alternative data or evidentiary documentation to SCAG in support of its appeal, such alternative data shall meet the following requirements:



1. The alternative data shall be readily available for SCAG’s review and verification. Alternative data should not be constrained for use by proprietary conditions or other conditions rendering them difficult to obtain or process.
2. The alternative data shall be accurate, current, and reasonably free from defect.
3. The alternative data shall be relevant and germane to the local jurisdiction’s basis of appeal.
4. The alternative data shall be used to support a logical analysis relating to the local jurisdiction’s request for a change to its draft regional housing need allocation.

**II. POST-APPEAL REALLOCATION OF REGIONAL HOUSING NEED**

In accordance with existing law (*see*, Government Code Section 65584.05(g)), after the conclusion of the appeals process, SCAG shall total the successfully appealed housing need allocations, except for adjustments made to jurisdictions not the subject of an appeal as determined by the Appeals Board in Section I.H. If the adjustments total seven percent (7%) or less of the regional housing need, SCAG shall distribute the adjustments proportionally, to all local jurisdictions. For purposes of these procedures, proportional distribution shall be based on the share of regional need after the appeals are determined and prior to the required redistribution.

If the adjustments total more than seven percent (7%) of the regional housing need, existing law requires that SCAG to develop a methodology to distribute the amount greater than seven percent to local governments. In this situation, SCAG will redistribute the amount greater than the seven percent based on the “residual” existing need calculation included in the adopted final RHNA methodology. To be consistent with the “residual” existing need calculation, successfully appealed units above the seven percent threshold will be redistributed to each county based on their proportion of total successful appeals. Fifty percent (50%) of each county’s amount above the regional seven percent will be redistributed within the county based on population within a High Quality Transit Area (HQTa) and fifty percent (50%) of the amount will be redistributed within the county based on share of regional jobs accessible. Communities designated as disadvantaged, defined in the Final RHNA Methodology as having more than fifty percent (50%) of their population in lower resource areas, will be exempt from redistribution of the amount greater than seven percent. For more information regarding the existing need distribution in the Final RHNA Methodology, please refer to Exhibit B SCAG’s adopted Final RHNA Methodology.

**III. FINAL RHNA PLAN**

After SCAG reallocates units to all local jurisdictions resulting from successful appeals, SCAG's Regional Council shall review and consider adoption of the Final RHNA Plan for SCAG's 6<sup>th</sup> cycle RHNA. This is scheduled to occur on February 4, 2021.

List of Exhibits

Exhibit A: RHNA Appeal Request Form

Exhibit B: Final RHNA Methodology

Exhibit C:

- ) Government Code Section 65580
- ) Government Code Section 65584
- ) Government Code Section 65584.04
- ) Government Code Section 65584.05

Exhibit D: RHNA Subcommittee Charter

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

Date: \_\_\_\_\_ Jurisdiction Subject to This Appeal Filing: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD)  
 \_\_\_\_\_

Filing Party Contact Name \_\_\_\_\_ Filing Party Email: \_\_\_\_\_  
 \_\_\_\_\_

**APPEAL AUTHORIZED BY:**

Name: \_\_\_\_\_

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region’s greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

**Brief Description of Appeal Request and Desired Outcome:**

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced \_\_\_\_\_ Added \_\_\_\_\_

**List of Supporting Documentation, by Title and Number of Pages**  
**(Numbers may be continued to accommodate additional supporting documentation):**

- 1.
- 2.
- 3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_

## Final RHNA Methodology

### EXECUTIVE SUMMARY

*SCAG is required to develop a final RHNA methodology to distribute existing and projected housing need for the 6th cycle RHNA for each jurisdiction, which will cover the planning period October 2021 through October 2029. Following extensive feedback from stakeholders during the proposed methodology comment period and an extensive policy discussion, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019, as described below, and provide it to the State Department of Housing and Community Development (HCD) for their statutory review. On January 13, 2020, HCD completed its review of the draft methodology and found that it furthers the five statutory objectives of RHNA and on March 4, 2020, SCAG’s Regional Council voted to approve the Final RHNA Methodology. The overall framework for this methodology is included in the table below and further described in the rest of this document.*

Projected need	Existing need	Income categories
Household growth 2020-2030	Transit accessibility (HQTA population 2045)	150% social equity adjustment minimum
Future vacancy need	Job accessibility	0-30% additional adjustment for areas with lowest or highest resource concentration
Replacement need	Residual distribution within the county	

### HOUSING CRISIS

There is no question that there is an ongoing housing crisis throughout the State of California. A variety of measures indicate the extent of the crisis including overcrowding and cost-burdened households, but the underlying cause is due to insufficient housing supply despite continuing population growth over recent decades.

As part of the RHNA process SCAG must develop a final RHNA methodology, which will determine each jurisdiction’s draft RHNA allocation as a share of the regional determination of existing and projected housing need provided by the California Department of Housing and Community Development (HCD). There are several requirements outlined by Government Code Section 65584.04, which will be covered in different sections of this packet:

- ) Allocation methodology, per Government Code 65584.04(a)
- ) How the allocation methodology furthers the objectives State housing law, per GC 65584.04(f)

- ) How local planning factors are incorporated into the RHNA methodology, per GC 65584.04(f)
- ) Furthering the objectives of affirmatively furthering fair housing (AFFH), per GC 65584.04(d)
- ) Public engagement, per GC 65584.04(d)

Additionally, SCAG has developed a dynamic estimator tool and data appendix that contains a full set of various underlying data and assumptions to support the methodology. Due to the size of the appendix, a limited number of printed copies are available. SCAG has posted the dynamic estimator tool and full methodology appendix, on its RHNA webpage: [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

Per State housing law, the RHNA methodology must distribute existing and projected housing need to all jurisdictions. The following section provides the final methodology for distributing projected and existing need to jurisdictions from the RHNA regional determination provided by the California Department of Housing and Community Development (HCD) pursuant to Government Code Section 65584.01.

#### Guiding Principles for RHNA Methodology

In addition to furthering the five objectives pursuant to Government Code 65585(d), there are several guiding principles that SCAG staff has developed to use as the basis for developing the distribution mechanism for the RHNA methodology. These principles are based on the input and guidance provided by the RHNA Subcommittee during their discussions on RHNA methodology between February 2019 and June 2019.

1. The housing crisis is a result of housing building not keeping up with growth over the last several decades. The RHNA allocation for all jurisdictions is expected to be higher than the 5<sup>th</sup> RHNA cycle.
2. Each jurisdiction must receive a fair share of their regional housing need. This includes a fair share of planning for enough housing for all income levels, and consideration of factors that indicate areas that have high and low concentration of access to opportunity.
3. It is important to emphasize the linkage to other regional planning principles to develop more efficient land use patterns, reduce greenhouse gas emissions, and improve overall quality of life.

The jurisdictional boundaries used in the recommended RHNA methodology will be based on those as of August 31, 2016. Spheres of influence in unincorporated county areas are considered within unincorporated county boundaries for purposes of RHNA.

#### Proposed RHNA Allocation Methodology

The proposed RHNA methodology, which was released for public review on August 1, contained three (3) options to distribute HCD’s regional determination for existing and projected need for the

SCAG region. HCD provided SCAG a final regional determination of 1,341,827 units for the 6<sup>th</sup> cycle RHNA on October 15, 2019.<sup>1</sup>

The three options were developed based on RHNA Subcommittee feedback on various factors at their meetings between February and June 2019 and feedback from stakeholders. SCAG solicited formal public comment on the three options and any other factors, modifications, or alternative options during the public comment period, which commenced on August 1 and concluded on September 13, 2019.

Four public hearings were conducted to formally receive verbal and written comments on the proposed RHNA methodology, in addition to one public information session with a total participation of approximately 250 people. Almost 250 written comments were submitted to SCAG specifically on the proposed methodology and over 35 verbal comments were shared at four (4) public hearings held in August 2019.

#### Draft and Final RHNA Allocation Methodology

Based on comments received during the public comment period, staff recommended a combination of the three options in the proposed methodology further enhanced by factors specifically suggested by stakeholders.

On November 7, 2019, SCAG's Regional Council voted to approve the Draft RHNA Methodology. The approved draft methodology included modifications to the staff-recommended draft methodology for calculating existing housing need to more closely align the methodology with job and transit accessibility factors.

On January 13, 2020, HCD completed their statutory review and found that SCAG's Draft RHNA Methodology furthers the five statutory objectives of RHNA, which allows SCAG to finalize the RHNA methodology and issue draft RHNA allocations to each individual jurisdiction. HCD's comment letter, which can be found at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna), notes:

*"HCD has completed its review of the methodology and finds that the draft SCAG RHNA methodology furthers the five statutory objectives of RHNA. HCD acknowledges the complex task of developing a methodology to allocate RHNA to 197 diverse jurisdictions while furthering the five statutory objectives of RHNA. This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of objective factors specifically linked the statutory objectives in the existing need methodology."*

Following this finding, staff recommended the draft RHNA methodology as the final RHNA methodology. On March 5, 2020, SCAG's Regional Council approved Resolution No. 20-619-2

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<sup>1</sup> On September 5, 2019, the SCAG Regional Council voted to object to HCD the regional determination of 1,344,740, per Government Code Section 65584.01, that was provided on August 15, 2019. After review of SCAG's objection letter, HCD provided a final regional determination of 1,341,827 units on October 15, 2019.



adopting the Final RHNA Methodology for the Sixth Housing Element Cycle. Following the formal distribution of draft RHNA allocations based on the Final RHNA methodology and a separate appeals phase described in Government Code 65584.05 et seq., RHNA allocations will be finalized in approximately October 2020.

The next section describes the final RHNA methodology mechanism to distribute the 1,341,827 housing units determined by HCD to all SCAG jurisdictions.

#### Determining Existing Need and Projected Need

SCAG's final RHNA methodology starts with the total regional determination provided by HCD and separates existing need from projected need.

Projected need is considered as household growth for jurisdictions between the RHNA projection period between July 1, 2021 and October 1, 2029, in addition to a calculated future vacancy need and replacement need. For projected household growth, SCAG's Connect SoCal growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need for the region. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period of July 1, 2021 to October 1, 2029.

For several jurisdictions, SCAG's growth forecast includes projected household growth on tribal land. For these jurisdictions, SCAG's estimate of household growth on tribal land from July 1, 2021 to October 1, 2029 is subtracted from the jurisdictional projected household growth (see note in the accompanying dynamic estimator tool). A vacancy adjustment of 1.5% for owner-occupied units and 5% for renter-occupied units representing healthy-market vacancy will be applied to projected household growth to determine future vacancy need. Next a replacement need is added, which is an estimate of expected replacement need over the RHNA period. **Based on these components, the regional projected need is 504,970 units.**

Existing need is considered the remainder of the regional determination after projected need is subtracted. **Based on this consideration, the regional existing need is 836,857 units.**

#### **Determining a Jurisdiction's RHNA Allocation (Existing and Projected Need)**

In determining the existing need and projected need for the region, the methodology applies a three-step process to determine a jurisdiction's RHNA allocation by income category:

1. Determine a jurisdiction's projected housing need
  - a. Assign household growth to jurisdictions based on SCAG's Connect SoCal Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast between 2020 and 2030
  - b. Calculate a jurisdiction's future vacancy need by applying a healthy market vacancy rate separately to the jurisdiction's owner and renter households
  - c. Assign a replacement need to jurisdictions based on each jurisdiction's share of regional net replacement need based on information collected from the replacement need survey submitted by local jurisdictions

2. Determine a jurisdiction’s existing housing need
  - a. Assign 50 percent of regional existing need based on a jurisdiction’s share of region’s population within the high quality transit areas (HQTAs) based on future 2045 HQTAs
  - b. Assign 50 percent of regional existing need based on a jurisdiction’s share of the region’s jobs that can be accessed within a 30-minute driving commute
  - c. For extremely disadvantaged communities (hereafter “DACs,” see definition below), identify residual existing need, which is defined herein as total housing need in excess of household growth between 2020 and 2045<sup>2</sup>. DACs are jurisdictions with more than half of the population living in high segregation and poverty or low resource areas as defined by the California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Index Scores further described in the document.
  - d. Reallocate residual existing need by county to non-DAC jurisdictions within the same county based on the formula in (a) and (b) above, i.e. 50% transit accessibility and 50% job accessibility.
  
3. Determine a jurisdiction’s total housing need
  - a. Add a jurisdiction’s projected housing need from (1) above to its existing housing need from (2) above to determine its total housing need.
  
4. Determine four RHNA income categories (very low, low, moderate, and above moderate)
  - a. Use a minimum 150% social equity adjustment
  - b. Add an additional percentage of social equity adjustment to jurisdictions that have a high concentration of very low or very high resource areas using the California Tax Credit Allocation Committee (TCAC)’s index scoring
    - i. Add a 10% social equity adjustment to areas that are designated as 70-80% very high or very low resource area
    - ii. Add a 20% social equity adjustment to areas that are designated as 81-90% very high or very low resource area
    - iii. Add a 30% social equity adjustment to areas that are designated as 91-100% very high or very low resource area

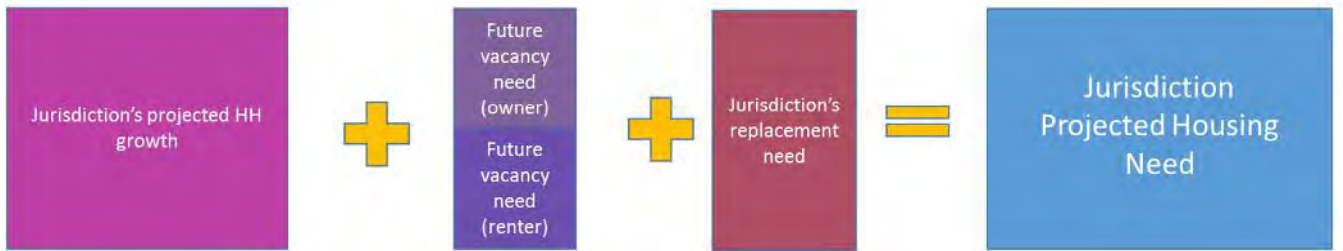
Methodology Component	Assigned units
Projected need: Household growth	466,958
Projected need: Future vacancy need	14,467
Projected need: Replacement need	23,545
Projected need subtotal	504,970

<sup>2</sup> Since HCD’s regional determination of 1,341,827 exceeds SCAG’s 2020-2045 household growth forecast of 1,297,000 by 3.46 percent, for the purposes of existing need allocation, exceeding “local input” or more accurately, Connect SoCal Growth Forecast, household growth shall mean exceeding 1.0368 times household growth.

	Percentage of Existing Need	Assigned units
Existing need: Transit accessibility	50%	418,429
Existing need: Job accessibility	50%	418,428
Existing need subtotal		836,857
<b>Total regional need</b>		<b>1,341,827</b>

**Step 1: Determine Projected Housing Need**

The first step of the RHNA methodology is to determine a jurisdiction’s projected need. From the regional determination, projected need is considered to be regional household growth, regional future vacancy need, and regional replacement need.



To determine a jurisdiction’s projected need, the methodology uses a three-step process:

- a. Determine the jurisdiction’s regional projected household growth based on local input
- b. Determine future vacancy need based on a jurisdiction’s existing composition of owner and renter households and apply a vacancy rate on projected household growth based on the following:
  - a. Apply a 1.5% vacancy need for owner households
  - b. Apply a 5.0% vacancy need for renter households
- c. Determine a jurisdiction’s net replacement need based on replacement need survey results

**Step 1a: Projected Household Growth**

SCAG’s Connect SoCal regional growth forecast reflects recent and past trends, key demographic and economic assumptions, and local, regional, state, and national policy. SCAG’s regional growth forecasting process also emphasizes the participation of local jurisdictions and other stakeholders. The growth forecast process kicked off on May 30, 2017 with a panel of experts meeting wherein fifteen academic scholars and leading practitioners in demographics and economics were invited to review key input assumptions for the growth forecast including expected job growth, labor force

participation, birth rates, immigration and household formation rates. SCAG staff then incorporated the recommendations of the panel of experts into a preliminary range of population, household, and employment growth figures for 2016, 2020, 2030, 2035, and 2045 for the region and six counties individually.

SCAG further projects jurisdiction-level and sub-jurisdiction-level employment, population, and households using several major data sources, including:

- California Department of Finance (DOF) population and household estimates;
- California Employment Development Department (EDD) jobs report by industry;
- 2015 existing land use and General Plans from local jurisdictions;
- 2010 Census and the latest ACS data (2013-2017 5-year samples);
- County assessor parcel databases;
- 2011 and 2015 Business Installment data from InfoGroup; and
- SCAG's 2016 RTP/SCS growth forecast.

On October 31, 2017, the preliminary small area (i.e. jurisdiction and sub-jurisdiction) growth forecasts were released to local jurisdictions for their comments and input. This kicked off SCAG's *Bottom-Up Local Input and Envisioning Process* which provided each local jurisdiction with their preliminary growth forecast information as well as several other data elements both produced by SCAG and other agencies which are related to the development of Connect SoCal. Data map books were generated and provided electronically and in hard copy format and included detailed parcel-level land use data, information on resource areas, farmland, transportation, geographical boundaries and the draft growth forecast. Complete information on the Data map books and the Bottom-Up Local Input and Envisioning Process can be found at <http://scagrtpscs.net/Pages/DataMapBooks.aspx>. Over the next eight months, SCAG staff conducted one-on-one meetings with all 197 local jurisdictions to explain methods and assumptions behind the jurisdiction and sub-jurisdiction growth forecast as well as to provide an opportunity to review, edit, and approve SCAG's preliminary forecast for population, employment, and households for 2016, 2020, 2030, 2035, and 2045.

Between October 2018 and February 2019, SCAG reviewed local input on the growth forecast and other data map book elements. The local input growth forecast was evaluated at the county and regional level for the base year of 2016 and the horizon year of 2045 and was found to be technically sound. Specifically, as it relates to SCAG's local input household forecast:

- The forecast generates a 2045 regional unemployment rate of 4.7 percent which is reasonable based on past trends and ensured that the forecast is balanced, i.e. there are not too many jobs for the number of anticipated workers
- The forecast generates a 2045 population-to-household ratio of 2.9 which is consistent with the preliminary forecast and reflects expert-anticipated decreases in this ratio, ensuring that there are not too many people for the anticipated number of households region-wide
- From 2020-2045, the forecast anticipates household growth of 21 percent and population growth of 15 percent, indicating an alleviation of the region's current housing shortage over this future period.

SCAG's growth forecast for the years 2020-2030 is used as the basis for calculating projected housing unit need. Because the 6th cycle RHNA projection period covers July 1, 2021 through October 15, 2029, it is necessary to adjust reported household growth between 2020 and 2030 and adjust it to an 8.25 year projection period. The anticipated growth in households over this period is multiplied by 0.825 to approximate growth during the 8.25-year RHNA projection period (July 1, 2021 to October 15, 2029).

### Step 1b: Future Vacancy Need

The purpose of a future vacancy need is to ensure that there are enough vacant units to support a healthy housing market that can genuinely accommodate projected household growth. An undersupply of vacant units can prevent new households from forming or moving into a jurisdiction. Formulaically, future vacancy need is a percentage applied to the jurisdiction's household growth by tenure type (owner and renter households). While individual jurisdictions may experience different vacancy rates at different points in time, future vacancy need is independent of existing conditions and instead is a minimum need to support household growth.

To calculate a jurisdiction's future vacancy need, its proportion of owner-occupied units and renter-occupied units are determined using American Community Survey (ACS) 2013-2017 data—the most recent available at the time of the draft methodology's development. The percentages are applied to the jurisdiction's projected household growth from the previous step, which results in the number of projected households that are predicted to be owners and those that are predicted to be renters.

Next, two different vacancy rates are applied based on the regional determination provided by HCD. The recommended methodology uses 1.5 percent for owner-occupied units and a rate of 5 percent for renter-occupied units. The difference is due to the higher rates of turnover generally reported by renter units in comparison to owner-occupied units. The vacancy rates are applied to their respective tenure category to determine how many future vacant units are needed by tenure and then added together to get the total future vacancy need.

### Step 1c: Replacement Need

Residential units are demolished for a variety of reasons including natural disasters, fire, or desire to construct entirely new residences. Each time a unit is demolished, a household is displaced and disrupts the jurisdiction's pattern of projected household growth. The household may choose to live in a vacant unit or leave the jurisdiction, of which both scenarios result in negative household growth through the loss of a vacant unit for a new household or subtracting from the jurisdictions number of households.

For these reasons, replacement need is a required component of the regional determination provided by HCD. The methodology's replacement need will be calculated using a jurisdiction's net replacement need based on data submitted for the replacement need survey, which was conducted between March and April 2019.

Each jurisdiction's data on historical demolitions between reporting years 2008 and 2018, which was collected from the California Department of Finance (DOF), was tabulated and provided to

jurisdictions in the replacement need survey. Jurisdictions were asked to provide data on units that replaced the reported demolished units. A net replacement need was determined based on this information for each jurisdiction.

After determining each of the projected housing need components, they are combined to determine a jurisdiction’s projected housing need.

### Step 2: Determine Existing Housing Need

After determining a jurisdiction’s projected need, the next step is to determine a jurisdiction’s existing need. Following the above discussion and based on HCD’s determination of total regional housing need, existing need is defined as the total need minus the projected need—approximately 62 percent of the entire regional determination. SCAG’s Regional Council determined that the regional existing need be split into two parts:

- ) Fifty (50) percent on population near transit (HQTAs), or 31 percent of total need
- ) Fifty (50) percent on job accessibility, or 31 percent of total need

Regional Existing Need



Jurisdiction Existing Need



### Step 2a: Share of Regional HQTAs Population

The next step involves the consideration of proximity to transit to distribute fifty (50) percent of the region’s existing housing need, in an effort to better align transportation and housing planning.

For several years, SCAG has developed a measure called High Quality Transit Areas (HQTAs) which are areas within a half-mile of transit stations and corridors with at least a fifteen (15) minute headway during peak hours for bus service. HQTAs are based on state statutory definitions of high-quality transit corridors (HQTCS) and major transit stops. For the development of Connect SoCal, freeway-running HQTCS have been excluded from HQTAs to better reflect the level of service they provide to nearby areas.

Planned HQTCS and major transit stops for future years are improvements that are expected to be implemented by transit agencies by the Connect SoCal horizon year of 2045. SCAG updates its inventory with the quadrennial adoption of each RTP/SCS; however, planning and environmental

impact studies may be completed by transit agencies more frequently. Therefore, HQTAs in future years reflect the best information currently available to SCAG regarding the location of future high-quality transit service accessibility. More detailed information on HQTAs-related definitions is available in the data appendix.

50 percent of the regional existing housing need will be distributed based on a jurisdiction's share of regional residential population within an HQTAs, based on the HQTAs boundaries used in the final Connect SoCal Plan anticipated to be adopted by SCAG in April 2020. Not all jurisdictions have an HQTAs within their jurisdictional boundaries and thus may not receive existing need based on this factor.

### Step 2b: Job Accessibility

The concept behind job accessibility is to further the statewide housing objective and SCAG's Connect SoCal objective of improving the relationship between jobs and housing. While none of the three options presented in the proposed RHNA methodology included a factor directly based on job accessibility, an overwhelming number of public comments expressed support for the methodology to include this specific component.

The methodology assigns fifty (50) percent of regional existing need based on job accessibility. Job accessibility is based on the share of the region's jobs accessible by a thirty (30) minute commute by car in 2045. Importantly, the RHNA methodology's job access factor is *not* based on the number of jobs within a jurisdiction from SCAG's Connect SoCal Plan or any other data source. Rather, it is a measure based on of how many jobs can be *accessed* from that jurisdiction within a 30-minute commute, which includes jobs in other jurisdictions. Since over 80 percent of SCAG region workers live and work in different jurisdictions, genuinely improving the relationship between jobs and housing necessitates an approach based on job access rather than the number of jobs in a jurisdiction.

These job accessibility data are derived at the transportation analysis zone (TAZ) level from travel demand modelling output from SCAG's final Connect SoCal Plan. SCAG realizes that in many jurisdictions, especially larger ones, job access many not be uniform in all parts of the city or county. However, since the RHNA process requires allocating housing need at the jurisdictional-level, staff reviewed several ways to measure the typical commuter's experience in each jurisdiction. Ultimately, the share of the region's jobs that could be accessed by a jurisdiction's *median TAZ* was found to be the best available measure of job accessibility for that jurisdiction. Based on this measure, in central parts of the region, residents of some jurisdictions can access as much as 23 percent of the region's jobs in a 30 minute car commute, while the average across all the region's jurisdictions was 10.5 percent.

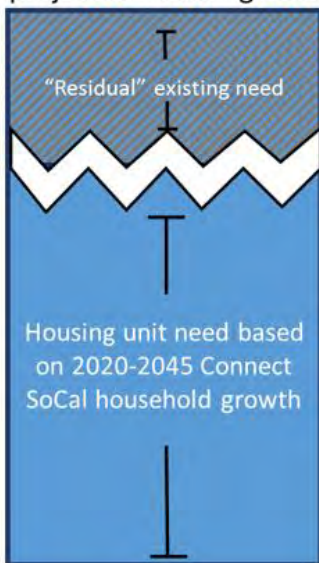
This measure is multiplied by a jurisdiction's share of total population in order to allocate housing unit need to jurisdictions. This important step ensures that the potential beneficiaries of greater accessibility (i.e., the population in a jurisdiction with good job access) are captured in the methodology. Based on this approach, jurisdictions with limited accessibility to jobs will receive a smaller RHNA allocation based on this component.

### Step 2c: "Residual" Adjustment Factor for Existing Need

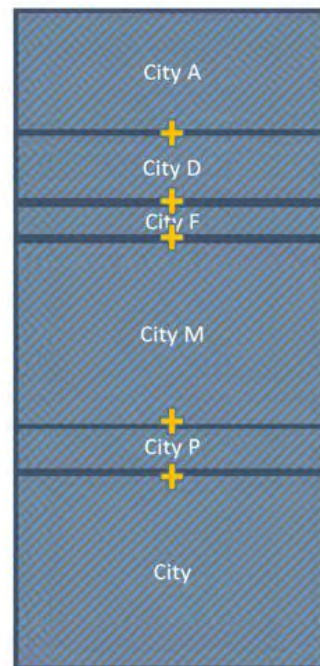
In many jurisdictions defined as “disadvantaged communities (DACs)”, the calculated projected and existing need is higher than its household growth between 2020 and 2045, as determined by the SCAG Growth Forecast used in the final Connect SoCal regional plan. Those DAC jurisdictions that have a need as determined by the RHNA methodology as higher than its 2020 to 2045 household growth<sup>3</sup> will be considered as generating “residual” existing need. Residual need will be subtracted from jurisdictional need in these cases so that the maximum a DAC jurisdiction will receive for existing need is equivalent to its 2020 to 2045 household growth. Not all DAC jurisdictions will have a residual existing need.

**Extremely Disadvantaged Communities:**

City A calculated projected +existing need



**County “residual” existing need**



A county total of residual existing need will be calculated and then redistributed with the same county to non-DAC jurisdictions. The redistribution will be assigned to jurisdictions based on transit accessibility (50%) and job accessibility (50%), and will exclude DAC jurisdictions which have over 50% of their populations in very low resource areas using California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Indices.

Very low resource areas are areas that have least access to opportunity as measured by indicators such as poverty levels, low wage job proximity, math and reading proficiency, and pollution levels. This mechanism will help to further AFFH objectives since residual existing RHNA need, which includes additional affordable units, will be assigned to areas that are not identified as those with the

<sup>3</sup> Since HCD’s regional determination of 1,341,827 exceeds SCAG’s 2020-2045 household growth forecast of 1,297,000 by 3.68 percent, for the purposes of existing need allocation, exceeding “local input” or “Connect SoCal” household growth shall mean exceeding 1.0368 times household growth.

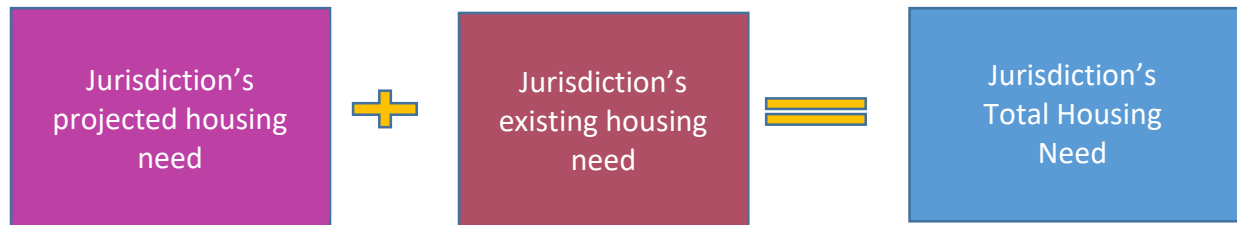


lowest resources, which will increase access to opportunity. A full discussion on the TCAC opportunity indicators is provided in the following section on social equity adjustment. Data relating to the TCAC opportunity indicator categories for each jurisdiction can be found in the RHNA methodology data appendix and in the accompanying RHNA allocation estimator tool on the RHNA webpage: [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

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### Step 3: Determining Total Housing Need

After determining a jurisdiction’s projected housing need from step 1 and its existing housing need from step 2, the sum of the projected and existing need becomes a jurisdiction’s total housing need.



### Step 4: Determining Four Income Categories through Social Equity Adjustment

After determining a jurisdiction’s total RHNA allocation, the next step is to assign the total into four RHNA income categories. The four RHNA income categories are:

- ) Very low (50 percent or less of the county median income);
- ) Low (50-80 percent);
- ) Moderate (80 to 120 percent); and
- ) Above moderate (120 percent and above)

The fourth RHNA objective specifically requires that the RHNA methodology allocate a lower proportion of housing need in jurisdictions that already have a disproportionately high concentration of those households in comparison to the county distribution. Additionally, the fifth objective, affirmatively furthering fair housing (AFFH), requires that the RHNA methodology further the objectives of addressing significant disparities in housing needs and access to opportunity in order to overcome patterns of segregation.

To further these two objectives, the RHNA methodology includes a minimum 150 percent social equity adjustment and an additional 10 to 30 percent added in areas with significant populations that are defined as very low or very high resource areas, referred to as an AFFH adjustment. This determines the distribution of four income categories for each jurisdiction.

#### Social equity adjustment



A social equity adjustment ensures that jurisdictions accommodate their fair share of each income category. First, the percentage of each jurisdiction’s distribution of four income categories is determined using the county median income as a benchmark. For example, in Los Angeles County, a household earning less than \$30,552 annually, or 50 percent of the county median income, would be considered a very low income household. A household in Los Angeles County earning more than \$73,218 annually, or 120 percent of the county median income, would be counted in the above moderate category. The number of households in each category is summed and then a percentage of each category is then calculated.

For reference, below is the median household income by county.

- ) Imperial County: \$44,779
- ) Los Angeles County: \$61,015
- ) Orange County: \$81,851
- ) Riverside County: \$60,807
- ) San Bernardino County: \$57,156
- ) Ventura County: \$81,972
- ) SCAG region: \$64,114

Source: American Community Survey (ACS) 2013-2017 5-year estimates

Once a jurisdiction’s household income distribution by category is determined, the percentage is compared to the county’s percentage of existing household income distribution. For example, if a jurisdiction has an existing distribution of 30 percent of very low income households while the county is 25 percent, the jurisdiction is considered as having an overconcentration of very low income households compared to the county. A social equity adjustment ensures that the jurisdiction will be assigned a smaller percentage of very low income households for its RHNA allocation than both what it and the county currently experience.

If the jurisdiction is assigned a social equity adjustment of 150 percent, the formula to calculate its very low income percentage is:

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 150%
Very Low Income	$30\% - [(30\% - 25\%) \times 1.5] = 22.5\%$

In this example, 22.5 percent of the jurisdiction’s total RHNA allocation would be assigned to the very low income category. This adjustment is lower than both its existing household income distribution (30 percent) and the existing county distribution (25 percent).

The inverse occurs in higher income categories. Assuming 20 percent of a jurisdiction’s households are above moderate income while 25 percent of the county’s households are above moderate income, the jurisdiction will be assigned a distribution of 27.5 percent for above moderate income need.

Household Income Level	Formula to Calculate City A Social Equity Adjustment of 150%
Above moderate income	$20\% - [(20\% - 25\%) \times 1.5] = 27.5\%$

If the adjustment was 100 percent a jurisdiction’s distribution would be exactly the same as the County’s distribution. Conceptually a 150 percent adjustment means that the City meets the County distribution and goes beyond that threshold by 50 percent, resulting in a higher or lower distribution than the County depending on what existing conditions are in the City. The higher the adjustment, the more noticeable the difference between the jurisdiction’s existing household income distribution and its revised distribution.

The RHNA methodology recommends a minimum of 150 percent social equity adjustment with an additional 10, 20, or 30 percent added depending on whether the jurisdiction is considered a very low or very high resource area based on its Opportunity Index score.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of “Opportunity Indices” to help states and localities identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”<sup>4</sup>

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. The indices are based on measures of economic, environmental, and educational opportunities within communities. Regional patterns of segregation are also identified based on this tool. Below is a summary table of the 11 indices sorted by type:

<b>Economic</b>	<b>Environment</b>	<b>Education</b>
Poverty	CalEnviroScreen 3.0 indicators	Math proficiency
Adult education	) Ozone	Reading proficiency
Employment	) PM2.5	High school graduation rates
Low-wage job proximity	) Diesel PM	Student poverty rate
Median home value	) Drinking water contaminates	
	) Pesticides	
	) Toxic releases from facilities	
	) Traffic density	
	) Cleanup sites	
	) Groundwater threats	
	) Hazardous waste	
	) Impaired water bodies	
	) Solid waste sites	

<sup>4</sup> California Fair Housing Taskforce Revised opportunity Mapping Technology, Updated November 27, 2018: <https://www.treasurer.ca.gov/ctcac/opportunity/final-opportunity-mapping-methodology.pdf>

Based on its respective access to opportunity, each census tract is given a score that designates it under one of the following categories:

- ) High segregation & poverty
- ) Low resource
- ) Moderate resource
- ) High resource
- ) Highest resource

Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction’s population in each of these five categories. For example:

	Lowest Resource				Very High Resource
Opportunity Indicator Category	High segregation & poverty	Low resource	Moderate resource	High resource	Highest resource
City A Percentage of population	10%	10%	30%	30%	20%
City B Percentage of population	90%	5%	5%	0%	0%
City C Percentage of population	0%	0%	10%	15%	75%

The recommended methodology determines high resource concentration using the “very high” resource area score. The recommended methodology determines “lowest” resource areas by combining the two lowest measures. In the above table, City B would be considered to have a much higher concentration of lower resource areas than City A. City C would be considered to have a much higher concentration of highest resource areas.<sup>5</sup>

- ) High segregation & Poverty + Low Resource = Lowest Resource
- ) Highest Resource

Jurisdictions that are identified as having between 70 and 100 percent of the population within a lowest or very high resource area are assigned an additional 10 and 30 percent social equity adjustment:

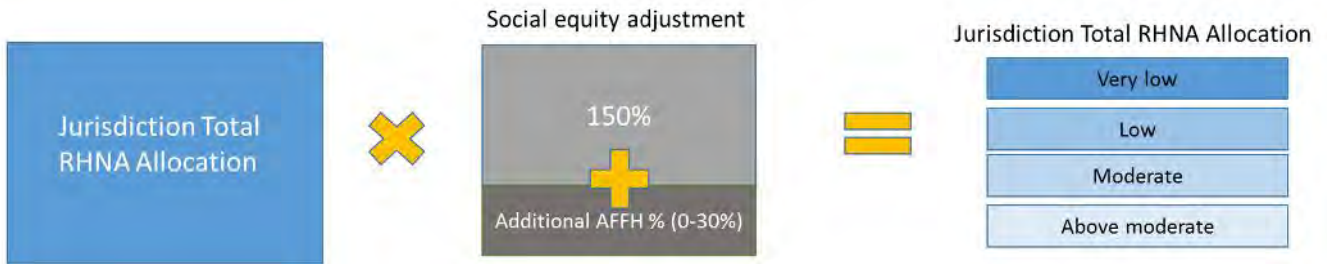
<sup>5</sup> As a cross-reference, if City B has both a high job and transit accessibility it would be exempt from the redistribution of residual existing need from the RHNA methodology’s Step 2d because more than 50 percent of its population is within a very low resource area. On the other hand City A and City C, if they have a high job and transit access, would not be exempt from receiving regional residual need because they have only 20 percent and 0 percent of their respective population within a very low resource area.

Concentration of population within very low or very high resource area	Additional social equity adjustment
70-80%	+10%
80-90%	+20%
90-100%	+30%

In the example table, City B would receive an additional social equity adjustment of 30% because 95% of its population is within a lowest resource area (sum of high segregation & poverty and low resource measures). City C would receive an additional social equity adjustment of 10% because 75% of its population is within a very high resource area. City A would not receive a further adjustment because it does not have a high enough concentration of population within either the lowest or very high resource categories.

Assigning a higher social equity adjustment based on Opportunity Indices will result in a higher percentage of affordable housing units to areas that have higher resources. Concurrently, it will assign a lower percentage of affordable housing in areas where they is already an overconcentration. Because Opportunity Indices consider factors such as access to lower wage jobs, poverty rates, and school proficiency, the social equity adjustment in the RHNA methodology will result in factors beyond simply household income distribution. This additional adjustment will help to adjust the disparity in access to fair housing across the region, furthering the AFFH objective required in State housing law.

Once the social equity adjustment is determined, it is used to assign need to the four income categories.



**Final Adjustments**

On a regional level the final RHNA allocation plan must be the same as the regional determination, by income category, provided by HCD. The final RHNA methodology will result in slight differences, among income categories, since income categories are required to use county distributions as benchmarks and the HCD determination does not include county-level benchmarks. For this reason, after the initial income categories are determined for jurisdictions, SCAG will apply a normalization adjustment to the draft fsRHNA allocation to ensure that the regional total by income category is maintained.

Additionally, in the event that a jurisdiction receives an allocation of zero (0) units under the RHNA methodology a minimum RHNA allocation of eight (8) units would be assigned. Government Code Section 65584.04(m)(2) requires that the final RHNA allocation plan ensure that each jurisdiction receive an allocation of units for low- and very low income households. Under these circumstances, SCAG will assign those jurisdictions a minimum of four (4) units in the very low income category and four (4) units in the low income category for a draft RHNA allocation of eight (8) units.

## Meeting the Objectives of RHNA

Government Code Section 65584.04(a) requires that the RHNA methodology furthers the five objectives of the Regional Housing Needs Assessment:

- (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.

On January 13, 2020, HCD completed its review of SCAG's draft RHNA methodology and found that it furthers the five statutory objectives of RHNA.



## Local Planning Factors

As part of the development of the proposed RHNA methodology, SCAG must conduct a survey of planning factors that identify local conditions and explain how each of the listed factors are incorporated into the RHNA methodology. This survey, also known as the “Local Planning Factor” survey, is a specific requirement for the RHNA methodology process and is separate from the local review process of the Growth Forecast used as the basis for determining future growth in the Connect SoCal plan.

The survey was distributed to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. One-hundred and nine (109) jurisdictions, or approximately 55%, submitted a response to the local planning factor survey. To facilitate the conversation about local planning factors, between October 2017 and October 2018 SCAG included these factors as part of the local input survey and surveyed a binary yes/no as to whether these factors impacted jurisdictions. The formal local planning factor survey was pre-populated with the pre-survey answers to help facilitate survey response. The full packet of local planning factor surveys can be downloaded at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

SCAG staff reviewed each of the submitted surveys to analyze planning factors opportunities and constraints across the region. The collected information was used to ensure that the methodology will equitably distribute housing need and that underlying challenges as a region are collectively addressed.

- (1) *Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate, based on readily available data, of the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate, based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.*

The RHNA methodology directly considers job accessibility and determines a portion of housing need for each jurisdiction based on this factor. Using transportation analysis zones as a basis, the percentage of jobs accessible within a 30 minute drive for a jurisdiction’s population is determined and then weighted based on the jurisdiction’s population size to determine individual shares of regional jobs accessible. Based on a review of other potential mechanisms to factor in jobs into the RHNA methodology, SCAG staff has determined that this mechanism most closely aligns with the goals of State housing law.

A supplemental analysis of the impact of the draft RHNA methodology’s impact on jobs-housing relationships and low-wage jobs-housing relationships was provided to the Regional Council on February 5, 2020.

- (2) *The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:*
- (A) *Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*
  - (B) *The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.*
  - (C) *Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.*
  - (D) *County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.*

Consideration of the above planning factors have been incorporated into the Growth Forecast process and results by way of analysis of aerial land use data, general plan, parcel level property data, open space, agricultural land and resource areas, and forecast surveys distributed to local jurisdictions. The bottom-up Local Input and Envisioning Process, which is used as the basis for both RHNA and SCAG’s Connect SoCal (Regional Transportation Plan/Sustainable Communities Strategy) started with an extensive outreach effort involving all local jurisdictions regarding their land use and development constraints. All local jurisdictions were invited to provide SCAG their respective growth perspective and input. The RHNA methodology directly incorporates local input on projected household growth, which should be a direct reflection of local planning factors such as lack of water or sewer capacity, FEMA-designated flood sites, and open space and agricultural land protection.

Prior RHNA cycles did not promote direct linkage to transit proximity and the methodology encourages more efficient land use patterns by utilizing existing as well as future planned transportation infrastructure and preserves areas designated as open space and agricultural

lands. In particular the inclusion of transit proximity places an increased emphasis on infill opportunities and areas that are more likely to support higher residential densities.

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

As indicated above, the Growth Forecast used as the basis for the Connect SoCal Plan is also used as the basis for projected household growth in the RHNA methodology. The weighting of a jurisdiction's population share within an HQTAs directly maximizes the use of public transportation and existing transportation infrastructure.

- (4) *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.*

This planning factor has been identified through the local input process and local planning factor survey collection as affecting growth within Ventura County. The urban growth boundary, known as Save Our Agricultural Resources (SOAR), is an agreement between the County of Ventura and its incorporated cities to direct growth toward incorporated areas, and was recently extended to 2050. Based on the input collected, SCAG staff has concluded that this factor is already reflected in the RHNA methodology since it was considered and incorporated into the local input submitted by jurisdictions.

- (5) *The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583 that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

The conversion of low income units into non-low income units is not explicitly addressed through the distribution of existing and projected housing need. Staff has provided statistics in the RHNA methodology appendix on the potential loss of units in assisted housing developments. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole.

Local planning factor survey responses indicate that the impact of this factor is not regionally uniform. Many jurisdictions that replied some units are at-risk for losing their affordability status in the near future have indicated that they are currently reviewing and developing local resources to address the potential loss. Based on this, SCAG staff has determined that at-risk units are best addressed through providing data on these units as part of the RHNA methodology and giving local jurisdictions the discretion to address this factor and adequately plan for any at-risk unit loss in preparing their housing elements.

- (6) *The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.*

An evaluation of survey responses reveals that cost-burdened households, or those who pay at least 30 percent of their household income on housing costs, is a prevalent problem throughout the region. The RHNA methodology also includes in its appendix data from the ACS 2013-2017 on cost-burdened statistics for households who pay more than 30 percent of their income on housing by owner and renter, and for renter households who pay 50 percent or more of their income on housing. The general trend is seen in both high and low income communities, suggesting that in most of the SCAG region high housing costs are a problem for all income levels.

Nonetheless a large number of jurisdictions indicated in the survey that overpaying for housing costs disproportionately impacts lower income households in comparison to higher income households. This issue is exacerbated in areas where there is not enough affordable housing available, particularly in higher income areas. For this reason, the RHNA methodology incorporates not only a 150 percent social equity adjustment, but also uses the TCAC Opportunity Indices to distribute the RHNA allocation into the four income categories in areas identified as being the highest resource areas of the region. The Opportunity Indices include a proximity to jobs indicator, particularly for low-wage jobs, which identifies areas with a high geographical mismatch between low wage jobs and affordable housing. Increasing affordable housing supply in these areas can help alleviate cost-burden experienced by local lower income households because more affordable options will be available.

The reason for using social equity adjustment and opportunity indices to address cost-burden households rather than assigning total need is because it is impossible to determine through the methodology how and why the cost-burden is occurring in a particular jurisdiction. Cost-burden is a symptom of housing need and not its cause. A jurisdiction might permit a high number of units but still experiences cost-burden because other jurisdictions restrict residential permitting. Or, a jurisdiction might have a large number of owner-occupied housing units that command premium pricing, causing cost-burden for high income households and especially on lower income households due to high rents from high land costs. An analysis of existing need indicators by jurisdiction, which is part of the RHNA methodology data appendix, does not reveal a single strong trend to base a distribution methodology for cost-burden and thus the RHNA methodology distributes this existing need indicator regionally using social equity adjustment and Opportunity Indices rather than to where the indicators exist.

- (7) *The rate of overcrowding.*

An evaluation of survey responses indicates that there is a variety of trends in overcrowding throughout the region. Overcrowding is defined as more than 1.01 persons per room (not bedroom) in a housing unit. Some jurisdictions have responded that overcrowding is a severe issue, particularly for lower income and/or renter households, while others have

responded that overcrowding is not an issue at all. At the regional determination level HCD applied an overcrowding component, which is a new requirement for the 6<sup>th</sup> RHNA cycle. Because

Similar to cost-burden, overcrowding is caused by an accumulated housing supply deficit and is considered an indicator of existing housing need. The reason for not assigning need directly based on this indicator is because it is impossible to determine through the methodology how and why the overcrowding is occurring in a particular jurisdiction. A jurisdiction that has an overcrowding rate higher than the regional average might be issuing more residential permits than the regional average while the surrounding jurisdictions might not have overcrowding issues but issue fewer permits than the regional average. An analysis of existing need indicators by jurisdiction, which is part of the RHNA methodology data appendix, does not reveal a single strong trend to base a distribution methodology for overcrowding and thus the methodology distributes this existing need indicator regionally rather than to where the indicators exist.

While not specifically surveyed, several jurisdictions have indicated that density has affected their jurisdictions and have requested that the methodology should consider this as a factor. While density is not directly addressed as a factor, the social equity adjustment indirectly addresses density particularly for lower income jurisdictions. In housing elements, jurisdictions most demonstrate that a site is affordable for lower income households by applying a “default density”, defined in State housing law as either 20 or 30 dwelling units per acre depending on geography and population. In other words, a site that is zoned at 30 dwelling units per acre is automatically considered as meeting the zoning need for a low income household.

However there is not a corresponding default density for above moderate income zoning. Assigning a lower percentage of lower income households than existing conditions indirectly reduces future density since the jurisdiction can zone at lower densities if it so chooses. While this result does not apply to higher income jurisdictions, directing growth toward less dense areas for the explicit purpose of reducing density is in direct contradiction to the objectives of state housing law, especially for promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development pattern.

(8) *The housing needs of farmworkers.*

The RHNA methodology appendix provides data on agricultural jobs by jurisdiction as well as workers by place of residence. The survey responses indicate that most jurisdictions do not have agricultural land or only have small agricultural operations that do not necessarily require designated farmworker housing. For the geographically concentrated areas that do have farmworker housing, responses indicate that many jurisdictions already permit or are working to allow farmworker housing by-right in the same manner as other agricultural uses are allowed. Jurisdictions that are affected by the housing needs of farmworkers can be assumed to have considered this local factor when submitting feedback on SCAG’s Growth

Forecast. A number of jurisdictions reiterated their approach in the local planning factor survey response.

Similar to at-risk units, the RHNA methodology does not include a distribution mechanism to distribute farmworker housing. However, SCAG has provided data in its RHNA methodology appendix related to this factor and encourages local jurisdictions to adequately plan for this need in their housing elements.

- (9) *The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.*

SCAG staff has prepared a map outlining the location of four-year private and public universities in the SCAG region along with enrollment numbers from the California School Campus Database (2018). Based on an evaluation of survey responses that indicated a presence of a university within their boundaries, SCAG staff concludes that most housing needs related to university enrollment are addressed and met by dormitories provided by the institution both on- and off-campus. No jurisdiction expressed concern in the surveys about student housing needs due to the presence of a university within their jurisdiction.

However, some jurisdictions have indicated outside of the survey that off-campus student housing is an important issue within their jurisdictions and are in dialogue with HCD to determine how this type of housing can be integrated into their local housing elements. Because this circumstance applies to only a handful of jurisdictions, it is recommended that housing needs generated by a public or private university be addressed in the jurisdiction's housing element if it is applicable.

- (10) *The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.*

Replacement need, defined as units that have been demolished but not yet replaced, are included as a component of projected housing need in the RHNA methodology. To determine this number, HCD reviewed historical demolition permit data between 2008 and 2017 (reporting years 2009 and 2018) as reported by the California Department of Finance (DOF), and assigned SCAG a regional replacement need of 0.5% of projected and existing need, or 34,010 units.

There have been several states of emergency declared for fires in the SCAG region that have destroyed residential units, as indicated by several jurisdictions in their local planning factor survey responses. Survey responses indicate that a total of 1,785 units have been lost regionally from fires occurring after January 1, 2018. Units lost from fires that occurred prior to January 1, 2018, have already been counted in the replacement need for the 6<sup>th</sup> RHNA cycle.

In spring 2019, SCAG conducted a replacement need survey with jurisdictions to determine units that have been replaced on the site of demolished units reported. Region wide 23,545 of the region's demolished units still needed to be replaced based on survey results. The sum of the number of units needing to be replaced based on the replacement need survey and the number of units reported as lost due to recent states of emergency, or 25,330, is lower than HCD's regional determination of replacement need of 34,010. One can reasonably conclude that units lost based on this planning factor are already included in the regional total and distributed, and thus an extra mechanism to distribute RHNA based on this factor is not necessary to meet the loss of units.

(11) *The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.*

An assessment of survey responses indicate that a number of jurisdictions in the SCAG region are developing efforts for more efficient land use patterns and zoning that would result in greenhouse gas emissions. These include a mix of high-density housing types, neighborhood based mixed-use zoning, climate action plans, and other local efforts to reduce greenhouse gas emissions at the regional level.

The RHNA methodology includes a distribution of 50 percent of regional existing need based on a jurisdiction's share of regional population within an HQT. The linkage between housing planning and transportation planning will allow for a better alignment between the RHNA allocation plan and the Connect SoCal RTP/SCS. It will promote more efficient development land use patterns, encourage transit use, and importantly reduce greenhouse gas emissions. This will in turn support local efforts already underway to support the reduction of regional greenhouse gas emissions.

Moreover the RHNA methodology includes the Growth Forecast reviewed with local input as a distribution component, particularly for projected housing need. Local input is a basis for SCAG's Connect SoCal Plan, which addresses greenhouse gas emissions at the regional level since it is used to reach the State Air Resources Board regional targets. An analysis of the consistency between the RHNA and Connect SoCal Plan is included as an attachment to this document.

(12) *Any other factors adopted by the council of governments that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.*

No other planning factors were adopted by SCAG to review as a specific local planning factor.

## Affirmatively Furthering Fair Housing (AFFH)

Among a number of changes due to recent RHNA legislation is the inclusion of affirmatively furthering fair housing (AFFH) as both an addition to the listed State housing objectives of Government Section 65588 and to the requirements of RHNA methodology as listed in Government Code Section 65584.04(b) and (c), which includes surveying jurisdictions on AFFH issues and strategies and developing a regional analysis of findings from the survey.

### AFFH Survey

The AFFH survey accompanied the required local planning factor survey and was sent to all SCAG jurisdictions in mid-March 2019 with a posted due date of May 30, 2019. Ninety (90) of SCAG's 197 jurisdictions completed the AFFH survey, though some jurisdictions indicated that they would not be submitting the AFFH survey due to various reasons. The full packet of surveys submitted prior to the development of the proposed methodology packet can be downloaded at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna).

Jurisdictions were asked various questions regarding fair housing issues, strategies and actions. These questions included:

- ) Describe demographic trends and patterns in your jurisdiction over the past ten years. Do any groups experience disproportionate housing needs?
- ) To what extent do the following factors impact your jurisdiction by contributing to segregated housing patterns or racially or ethnically-concentrated areas of poverty?
- ) To what extent do the following acts as determinants for fair housing and compliance issues in your jurisdiction?
- ) What are your public outreach strategies to reach disadvantaged communities?
- ) What steps has your jurisdiction undertaken to overcome historical patterns of segregation or remove barriers to equal housing opportunity?

The survey questions were based on the U.S. Department of Housing and Urban Development (HUD) Analysis of Impediments to Fair Housing Choice survey that each jurisdiction, or their designated local Housing Authority, must submit to HUD to receive Community Development Block Grant (CDBG) funds. For the AFFH survey, jurisdictions were encouraged to review their HUD-submitted surveys to obtain data and information that would be useful for submitting the AFFH survey.

Pursuant to Government Code Section 65584.04(c), the following is an analysis of the survey results.

### *Themes*

Several demographic themes emerged throughout the SCAG region based on submitted AFFH surveys. A high number of jurisdictions indicated that their senior populations are increasing and many indicated that the fixed income typically associated with senior populations might have an effect on housing affordability. Other jurisdictions have experienced an increase in minority populations, especially among Latino and Asian groups. There is also a trend of the loss of young adults (typically younger than 30) and a decrease in the number of families with children in more suburban locations due to the rise in housing costs.



### *Barriers*

There was a wide variety of barriers reported in the AFFH survey, though a number of jurisdictions indicated they did not have any reportable barriers to fair access to housing. Throughout the SCAG region, communities of all types reported that community opposition to all types of housing was an impediment to housing development. Sometimes the opposition occurred in existing low income and minority areas. Some jurisdictions indicated that high opportunity resource areas currently do not have a lot of affordable housing or Section 8 voucher units while at the same time, these areas have a fundamental misunderstanding of who affordable housing serves and what affordable housing buildings actually look like. Based on these responses, it appears that community opposition to housing, especially affordable housing and the associated stigma with affordable housing, is a prevalent barrier throughout the SCAG region.

Other barriers to access to fair housing are caused by high land and development costs since they contribute to very few affordable housing projects being proposed in higher opportunity areas. The high cost of housing also limits access to fair housing and is a significant contributing factor to disparities in access to opportunity. Increasing property values were reported across the region and some jurisdictions indicated that they are occurring in existing affordable neighborhoods and can contribute to gentrification and displacement. Additionally, during the economic downturn a large number of Black and Latino homeowners were disproportionately impacted by predatory lending practices and therefore entered foreclosure in higher numbers than other populations.

Other barriers reported in the AFFH survey include the lack of funding available to develop housing after the dissolution of redevelopment agencies in 2012. Moreover, some jurisdictions indicated that the lack of regional cooperation contributes to segregation.

### *Strategies to Overcome Barriers*

All submitted AFFH surveys indicated that their respective jurisdictions employed at least a few strategies to overcome barriers to access fair housing. These strategies ranged from local planning and zoning tools to funding assistance to innovative outreach strategies.

In regard to planning and zoning tools, a number of jurisdictions indicated they have adopted inclusionary zoning ordinances or an in-lieu fee to increase the number of affordable units within their jurisdictions. Others have adopted an accessory dwelling unit (ADU) ordinance with accommodating standards to allow for higher densities in existing single-family zone neighborhoods. A few jurisdictions indicated that they have adopted an unpermitted dwelling unit (UDU) ordinance, which legalizes unpermitted units instead of removing them provided that the units meet health and safety codes. In addition to ADU and UDU ordinances, some jurisdictions have also adopted density bonuses, which allow a project to exceed existing density standards if it meets certain affordability requirements. Some responses in the survey indicate that the establishment of some of these tools and standards have reduced community opposition to projects. In addition, some jurisdictions responded that they have reduced review times for residential permit approvals and reduced or waived fees associated with affordable housing development.

To combat gentrification and displacement, some jurisdictions have established rent-stabilization ordinances while others have established a rent registry so that the jurisdiction can monitor rents

and landlord practices. Some jurisdictions have adopted relocation plans and others are actively seeking to extend affordability covenants for those that are expiring.

In regard to funding, SCAG jurisdictions provide a wide variety of support to increase the supply of affordable housing and increase access to fair housing. A number of jurisdictions provide citywide rental assistance programs for low income households and some indicated that their programs include favorable home purchasing options. Some of these programs also encourage developers to utilize the local first-time homebuyer assistance program to specifically qualify lower income applicants.

Other jurisdictions indicate that they manage housing improvement programs to ensure that their existing affordable housing stock is well maintained. Some AFFH surveys describe local multiple rental assistance programs, including Section 8 Housing Choice vouchers and financial support of tenant/landlord arbitration or mediation services.

Some jurisdictions indicated that they have focused on mobile homes as a way to increase access to fair housing. There are programs described that assist households that live in dilapidated and unsafe mobile homes in unpermitted mobile home parks by allowing the household to trade in their mobile home in exchange for a new one in a permitted mobile park. Other programs include rental assistance specifically for households who live in mobile homes.

In regard to community outreach, a large number of jurisdictions in the SCAG region have established or are seeking to establish innovative partnerships to increase access to fair housing and reduce existing barriers. Many jurisdictions work with fair housing advocacy groups such as the Housing Rights Center, which provide community workshops, counseling, and tenant-landlord mediation services. Other jurisdictions have established landlord-tenant commissions to resolve housing disputes and provide services to individuals with limited resources. Some jurisdictions have partnered with advocacy groups, such as the League of United Latin American Citizens (LULAC), to hold community-based workshops featuring simultaneous multi-lingual translations. Other innovative partnerships created by jurisdictions include those with local schools and school districts and public health institutions to engage disadvantaged groups and provide services to areas with limited resources.

A large number of jurisdictions have also indicated that they have increased their social media presence to reach more communities. Others have also increased their multi-lingual outreach efforts to ensure that limited-English proficiency populations have the opportunity to engage in local fair housing efforts.

Based on the AFFH surveys submitted by jurisdictions, while there is a wide range of barriers to fair housing opportunities in the SCAG region there is also a wide range of strategies to help overcome these barriers at the local level.

Meeting AFFH Objectives on a Regional Basis

To work towards the objective of AFFH, several benchmarks were reviewed as potential indicators of increasing access to fair housing and removing barriers that led to historical segregation patterns.

*Opportunity Indices*

The objectives of affirmatively furthering fair housing are to not only overcome patterns of segregation, but to also increase access to opportunity for historically marginalized groups, particularly in racially and ethnically concentrated areas of poverty. In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act.

In 2015 the U.S. Department of Housing and Urban Development (HUD) developed a set of indices, known as “Opportunity Indices” to help states and jurisdictions identify factors that contribute to fair housing issues in their region and comply with the federal Fair Housing Act. In late 2017, a Task Force convened by HCD and the California Tax Credit Allocation Committee (TCAC) released an “Opportunity mapping” tool based on these HUD indices to identify areas in California that can “offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.”

The TCAC and HCD Opportunity mapping tool includes a total of eleven (11) census-tract level indices to measure exposure to opportunity in local communities. Regional patterns of segregation can be identified based on this tool. The indices are based on indicators such as poverty levels, low wage job proximity, pollution, math and reading proficiency. Below is a summary table of the 11 indices sorted by type:

<b>Economic</b>	<b>Environment</b>	<b>Education</b>
Poverty	CalEnviroScreen 3.0 indicators	Math proficiency
Adult education	) Ozone	Reading proficiency
Employment	) PM2.5	High school graduation rates
Low-wage job proximity	) Diesel PM	Student poverty rate
Median home value	) Drinking water contaminates	
	) Pesticides	
	) Toxic releases from facilities	
	) Traffic density	
	) Cleanup sites	
	) Groundwater threats	
	) Hazardous waste	
	) Impaired water bodies	
	) Solid waste sites	

To further the objectives of AFFH, SCAG utilizes the Opportunity indices tool at multiple points in the RHNA methodology. Jurisdictions that have the highest concentration of population in low resource areas are exempted from receiving regional residual existing need, which will result in fewer units

assigned to areas identified as having high rates of poverty and racial segregation. Additionally, jurisdictions with the highest concentration of population within highest resource areas will receive a higher social equity adjustment, which will result in more access to opportunity for lower income households.

## Public Engagement

The development of a comprehensive RHNA methodology requires comprehensive public engagement. Government Code Section 65584.04(d) requires at least one public hearing to receive oral and written comments on the proposed methodology, and also requires SCAG to distribute the proposed methodology to all jurisdictions and requesting stakeholders, along with publishing the proposed methodology on the SCAG website. The official public comment period on the proposed RHNA methodology began on August 1, 2019 after Regional Council action and concluded on September 13, 2019.

To maximize public engagement opportunities, SCAG staff hosted four public workshops to receive verbal and written comment on the proposed RHNA methodology and an additional public information session in August 2019:

- ) August 15, 6-8 p.m. Public Workshop, Los Angeles (View-only webcasting available)
- ) August 20, 1-3 p.m. Public Workshop, Los Angeles (Videoconference at SCAG regional offices and View-only webcasting available)
- ) August 22, 1-3 p.m., Public Workshop, Irvine
- ) August 27, 6-8 p.m., Public Workshop, San Bernardino (View-only webcasting available)
- ) August 29, 1-3pm Public Information Session, Santa Clarita

Approximately 250 people attended the workshops in-person, at videoconference locations, or via webcast. Over 35 individual verbal comments were shared over the four workshops.

To increase participation from individuals and stakeholders that are unable to participate during regular working hours, two of the public workshops were held in the evening hours. One of the workshops was held in the Inland Empire. SCAG worked with its Environmental Justice Working Group (EJWG) and local stakeholder groups to reach out to their respective contacts in order to maximize outreach to groups representing low income, minority, and other traditionally disadvantaged populations.

Almost 250 written comments were submitted by the comment deadline and included a wide range of stakeholders. Approximately 50 percent were from local jurisdictions and subregions, and the other 50 percent were submitted by advocacy organizations, industry groups, residents and resident groups, and the general public. All of the comments received, both verbal and written, were reviewed by SCAG staff, and were used as the basis for developing the RHNA methodology.

The increased involvement by the number of jurisdictions and stakeholders beyond the municipal level compared to prior RHNA cycles indicate an increased level of interest by the public in the housing crisis and its solutions, and the efforts of SCAG to meet these interests. As part of its housing

program initiatives, SCAG will continue to reach out to not only jurisdictions, but to advocacy groups and traditionally disadvantaged communities that have not historically participated in the RHNA process and regional housing planning. These efforts will be expanded beyond the RHNA program and will be encompassed into addressing the housing crisis at the regional level and ensuring that those at the local and community level can be part of solutions to the housing crisis.

### **Additional RHNA Methodology Supporting Materials**

Please note that additional supporting materials for the RHNA Methodology have been posted on SCAG's RHNA website at [www.scag.ca.gov/rhna](http://www.scag.ca.gov/rhna) including Data Appendix, Local Planning Factor Survey Responses and Affirmatively Furthering Fair Housing Survey Responses.

**State of California**

**GOVERNMENT CODE**

**Section 65080**

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65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall be an internally consistent document and shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element. The policy element of transportation planning agencies with populations that exceed 200,000 persons may quantify a set of indicators including, but not limited to, all of the following:

(A) Measures of mobility and traffic congestion, including, but not limited to, daily vehicle hours of delay per capita and vehicle miles traveled per capita.

(B) Measures of road and bridge maintenance and rehabilitation needs, including, but not limited to, roadway pavement and bridge conditions.

(C) Measures of means of travel, including, but not limited to, percentage share of all trips (work and nonwork) made by all of the following:

(i) Single occupant vehicle.

(ii) Multiple occupant vehicle or carpool.

(iii) Public transit including commuter rail and intercity rail.

(iv) Walking.

(v) Bicycling.

(D) Measures of safety and security, including, but not limited to, total injuries and fatalities assigned to each of the modes set forth in subparagraph (C).

(E) Measures of equity and accessibility, including, but not limited to, percentage of the population served by frequent and reliable public transit, with a breakdown by

income bracket, and percentage of all jobs accessible by frequent and reliable public transit service, with a breakdown by income bracket.

(F) The requirements of this section may be met using existing sources of information. No additional traffic counts, household surveys, or other sources of data shall be required.

(2) A sustainable communities strategy prepared by each metropolitan planning organization as follows:

(A) No later than September 30, 2010, the State Air Resources Board shall provide each affected region with greenhouse gas emission reduction targets for the automobile and light truck sector for 2020 and 2035, respectively.

(i) No later than January 31, 2009, the state board shall appoint a Regional Targets Advisory Committee to recommend factors to be considered and methodologies to be used for setting greenhouse gas emission reduction targets for the affected regions. The committee shall be composed of representatives of the metropolitan planning organizations, affected air districts, the League of California Cities, the California State Association of Counties, local transportation agencies, and members of the public, including homebuilders, environmental organizations, planning organizations, environmental justice organizations, affordable housing organizations, and others. The advisory committee shall transmit a report with its recommendations to the state board no later than September 30, 2009. In recommending factors to be considered and methodologies to be used, the advisory committee may consider any relevant issues, including, but not limited to, data needs, modeling techniques, growth forecasts, the impacts of regional jobs-housing balance on interregional travel and greenhouse gas emissions, economic and demographic trends, the magnitude of greenhouse gas reduction benefits from a variety of land use and transportation strategies, and appropriate methods to describe regional targets and to monitor performance in attaining those targets. The state board shall consider the report before setting the targets.

(ii) Before setting the targets for a region, the state board shall exchange technical information with the metropolitan planning organization and the affected air district. The metropolitan planning organization may recommend a target for the region. The metropolitan planning organization shall hold at least one public workshop within the region after receipt of the report from the advisory committee. The state board shall release draft targets for each region no later than June 30, 2010.

(iii) In establishing these targets, the state board shall take into account greenhouse gas emission reductions that will be achieved by improved vehicle emission standards, changes in fuel composition, and other measures it has approved that will reduce greenhouse gas emissions in the affected regions, and prospective measures the state board plans to adopt to reduce greenhouse gas emissions from other greenhouse gas emission sources as that term is defined in subdivision (i) of Section 38505 of the Health and Safety Code and consistent with the regulations promulgated pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), including Section 38566 of the Health and Safety Code.

(iv) The state board shall update the regional greenhouse gas emission reduction targets every eight years consistent with each metropolitan planning organization's timeframe for updating its regional transportation plan under federal law until 2050. The state board may revise the targets every four years based on changes in the factors considered under clause (iii). The state board shall exchange technical information with the Department of Transportation, metropolitan planning organizations, local governments, and affected air districts and engage in a consultative process with public and private stakeholders, before updating these targets.

(v) The greenhouse gas emission reduction targets may be expressed in gross tons, tons per capita, tons per household, or in any other metric deemed appropriate by the state board.

(B) Each metropolitan planning organization shall prepare a sustainable communities strategy, subject to the requirements of Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, including the requirement to use the most recent planning assumptions considering local general plans and other factors. The sustainable communities strategy shall (i) identify the general location of uses, residential densities, and building intensities within the region, (ii) identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth, (iii) identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Section 65584, (iv) identify a transportation network to service the transportation needs of the region, (v) gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Section 65080.01, (vi) consider the state housing goals specified in Sections 65580 and 65581, (vii) set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the state board, and (viii) allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Sec. 7506).

(C) (i) Within the jurisdiction of the Metropolitan Transportation Commission, as defined by Section 66502, the Association of Bay Area Governments shall be responsible for clauses (i), (ii), (iii), (v), and (vi) of subparagraph (B); the Metropolitan Transportation Commission shall be responsible for clauses (iv) and (viii) of subparagraph (B); and the Association of Bay Area Governments and the Metropolitan Transportation Commission shall jointly be responsible for clause (vii) of subparagraph (B).

(ii) Within the jurisdiction of the Tahoe Regional Planning Agency, as defined in Sections 66800 and 66801, the Tahoe Metropolitan Planning Organization shall use the Regional Plan for the Lake Tahoe Region as the sustainable community strategy, provided that it complies with clauses (vii) and (viii) of subparagraph (B).



(D) In the region served by the Southern California Association of Governments, a subregional council of governments and the county transportation commission may work together to propose the sustainable communities strategy and an alternative planning strategy, if one is prepared pursuant to subparagraph (I), for that subregional area. The metropolitan planning organization may adopt a framework for a subregional sustainable communities strategy or a subregional alternative planning strategy to address the intraregional land use, transportation, economic, air quality, and climate policy relationships. The metropolitan planning organization shall include the subregional sustainable communities strategy for that subregion in the regional sustainable communities strategy to the extent consistent with this section and federal law and approve the subregional alternative planning strategy, if one is prepared pursuant to subparagraph (I), for that subregional area to the extent consistent with this section. The metropolitan planning organization shall develop overall guidelines, create public participation plans pursuant to subparagraph (F), ensure coordination, resolve conflicts, make sure that the overall plan complies with applicable legal requirements, and adopt the plan for the region.

(E) The metropolitan planning organization shall conduct at least two informational meetings in each county within the region for members of the board of supervisors and city councils on the sustainable communities strategy and alternative planning strategy, if any. The metropolitan planning organization may conduct only one informational meeting if it is attended by representatives of the county board of supervisors and city council members representing a majority of the cities representing a majority of the population in the incorporated areas of that county. Notice of the meeting or meetings shall be sent to the clerk of the board of supervisors and to each city clerk. The purpose of the meeting or meetings shall be to discuss the sustainable communities strategy and the alternative planning strategy, if any, including the key land use and planning assumptions to the members of the board of supervisors and the city council members in that county and to solicit and consider their input and recommendations.

(F) Each metropolitan planning organization shall adopt a public participation plan, for development of the sustainable communities strategy and an alternative planning strategy, if any, that includes all of the following:

(i) Outreach efforts to encourage the active participation of a broad range of stakeholder groups in the planning process, consistent with the agency's adopted Federal Public Participation Plan, including, but not limited to, affordable housing advocates, transportation advocates, neighborhood and community groups, environmental advocates, home builder representatives, broad-based business organizations, landowners, commercial property interests, and homeowner associations.

(ii) Consultation with congestion management agencies, transportation agencies, and transportation commissions.

(iii) Workshops throughout the region to provide the public with the information and tools necessary to provide a clear understanding of the issues and policy choices. At least one workshop shall be held in each county in the region. For counties with a population greater than 500,000, at least three workshops shall be held. Each

workshop, to the extent practicable, shall include urban simulation computer modeling to create visual representations of the sustainable communities strategy and the alternative planning strategy.

(iv) Preparation and circulation of a draft sustainable communities strategy and an alternative planning strategy, if one is prepared, not less than 55 days before adoption of a final regional transportation plan.

(v) At least three public hearings on the draft sustainable communities strategy in the regional transportation plan and alternative planning strategy, if one is prepared. If the metropolitan transportation organization consists of a single county, at least two public hearings shall be held. To the maximum extent feasible, the hearings shall be in different parts of the region to maximize the opportunity for participation by members of the public throughout the region.

(vi) A process for enabling members of the public to provide a single request to receive notices, information, and updates.

(G) In preparing a sustainable communities strategy, the metropolitan planning organization shall consider spheres of influence that have been adopted by the local agency formation commissions within its region.

(H) Before adopting a sustainable communities strategy, the metropolitan planning organization shall quantify the reduction in greenhouse gas emissions projected to be achieved by the sustainable communities strategy and set forth the difference, if any, between the amount of that reduction and the target for the region established by the state board.

(I) If the sustainable communities strategy, prepared in compliance with subparagraph (B) or (D), is unable to reduce greenhouse gas emissions to achieve the greenhouse gas emission reduction targets established by the state board, the metropolitan planning organization shall prepare an alternative planning strategy to the sustainable communities strategy showing how those greenhouse gas emission targets would be achieved through alternative development patterns, infrastructure, or additional transportation measures or policies. The alternative planning strategy shall be a separate document from the regional transportation plan, but it may be adopted concurrently with the regional transportation plan. In preparing the alternative planning strategy, the metropolitan planning organization:

(i) Shall identify the principal impediments to achieving the targets within the sustainable communities strategy.

(ii) May include an alternative development pattern for the region pursuant to subparagraphs (B) to (G), inclusive.

(iii) Shall describe how the greenhouse gas emission reduction targets would be achieved by the alternative planning strategy, and why the development pattern, measures, and policies in the alternative planning strategy are the most practicable choices for achievement of the greenhouse gas emission reduction targets.

(iv) An alternative development pattern set forth in the alternative planning strategy shall comply with Part 450 of Title 23 of, and Part 93 of Title 40 of, the Code of Federal Regulations, except to the extent that compliance will prevent achievement of the greenhouse gas emission reduction targets approved by the state board.

(v) For purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), an alternative planning strategy shall not constitute a land use plan, policy, or regulation, and the inconsistency of a project with an alternative planning strategy shall not be a consideration in determining whether a project may have an environmental effect.

(J) (i) Before starting the public participation process adopted pursuant to subparagraph (F), the metropolitan planning organization shall submit a description to the state board of the technical methodology it intends to use to estimate the greenhouse gas emissions from its sustainable communities strategy and, if appropriate, its alternative planning strategy. The state board shall respond to the metropolitan planning organization in a timely manner with written comments about the technical methodology, including specifically describing any aspects of that methodology it concludes will not yield accurate estimates of greenhouse gas emissions, and suggested remedies. The metropolitan planning organization is encouraged to work with the state board until the state board concludes that the technical methodology operates accurately.

(ii) After adoption, a metropolitan planning organization shall submit a sustainable communities strategy or an alternative planning strategy, if one has been adopted, to the state board for review, including the quantification of the greenhouse gas emission reductions the strategy would achieve and a description of the technical methodology used to obtain that result. Review by the state board shall be limited to acceptance or rejection of the metropolitan planning organization's determination that the strategy submitted would, if implemented, achieve the greenhouse gas emission reduction targets established by the state board. The state board shall complete its review within 60 days.

(iii) If the state board determines that the strategy submitted would not, if implemented, achieve the greenhouse gas emission reduction targets, the metropolitan planning organization shall revise its strategy or adopt an alternative planning strategy, if not previously adopted, and submit the strategy for review pursuant to clause (ii). At a minimum, the metropolitan planning organization must obtain state board acceptance that an alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets established for that region by the state board.

(iv) On or before September 1, 2018, and every four years thereafter to align with target setting, notwithstanding Section 10231.5, the state board shall prepare a report that assesses progress made by each metropolitan planning organization in meeting the regional greenhouse gas emission reduction targets set by the state board. The report shall include changes to greenhouse gas emissions in each region and data-supported metrics for the strategies used to meet the targets. The report shall also include a discussion of best practices and the challenges faced by the metropolitan planning organizations in meeting the targets, including the effect of state policies and funding. The report shall be developed in consultation with the metropolitan planning organizations and affected stakeholders. The report shall be submitted to the Assembly Committee on Transportation and the Assembly Committee on Natural

Resources, and to the Senate Committee on Transportation, the Senate Committee on Housing, and the Senate Committee on Environmental Quality.

(K) Neither a sustainable communities strategy nor an alternative planning strategy regulates the use of land, nor, except as provided by subparagraph (J), shall either one be subject to any state approval. Nothing in a sustainable communities strategy shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region. Nothing in this section shall be interpreted to limit the state board's authority under any other law. Nothing in this section shall be interpreted to authorize the abrogation of any vested right whether created by statute or by common law. Nothing in this section shall require a city's or county's land use policies and regulations, including its general plan, to be consistent with the regional transportation plan or an alternative planning strategy. Nothing in this section requires a metropolitan planning organization to approve a sustainable communities strategy that would be inconsistent with Part 450 of Title 23 of, or Part 93 of Title 40 of, the Code of Federal Regulations and any administrative guidance under those regulations. Nothing in this section relieves a public or private entity or any person from compliance with any other local, state, or federal law.

(L) Nothing in this section requires projects programmed for funding on or before December 31, 2011, to be subject to the provisions of this paragraph if they (i) are contained in the 2007 or 2009 Federal Statewide Transportation Improvement Program, (ii) are funded pursuant to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of Title 2), or (iii) were specifically listed in a ballot measure before December 31, 2008, approving a sales tax increase for transportation projects. Nothing in this section shall require a transportation sales tax authority to change the funding allocations approved by the voters for categories of transportation projects in a sales tax measure adopted before December 31, 2010. For purposes of this subparagraph, a transportation sales tax authority is a district, as defined in Section 7252 of the Revenue and Taxation Code, that is authorized to impose a sales tax for transportation purposes.

(M) A metropolitan planning organization, or a regional transportation planning agency not within a metropolitan planning organization, that is required to adopt a regional transportation plan not less than every five years, may elect to adopt the plan not less than every four years. This election shall be made by the board of directors of the metropolitan planning organization or regional transportation planning agency no later than June 1, 2009, or thereafter 54 months before the statutory deadline for the adoption of housing elements for the local jurisdictions within the region, after a public hearing at which comments are accepted from members of the public and representatives of cities and counties within the region covered by the metropolitan planning organization or regional transportation planning agency. Notice of the public hearing shall be given to the general public and by mail to cities and counties within the region no later than 30 days before the date of the public hearing. Notice of election shall be promptly given to the Department of Housing and Community Development. The metropolitan planning organization or the regional transportation planning agency

shall complete its next regional transportation plan within three years of the notice of election.

(N) Two or more of the metropolitan planning organizations for Fresno County, Kern County, Kings County, Madera County, Merced County, San Joaquin County, Stanislaus County, and Tulare County may work together to develop and adopt multiregional goals and policies that may address interregional land use, transportation, economic, air quality, and climate relationships. The participating metropolitan planning organizations may also develop a multiregional sustainable communities strategy, to the extent consistent with federal law, or an alternative planning strategy for adoption by the metropolitan planning organizations. Each participating metropolitan planning organization shall consider any adopted multiregional goals and policies in the development of a sustainable communities strategy and, if applicable, an alternative planning strategy for its region.

(3) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all transportation projects proposed for development during the 20-year or greater life of the plan. The action element shall consider congestion management programming activities carried out within the region.

(4) (A) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to the County Transportation Commissions Act (Division 12 (commencing with Section 130000) of the Public Utilities Code) shall be responsible for recommending projects to be funded with regional improvement funds, if the project is consistent with the regional transportation plan. The first five years of the financial element shall be based on the five-year estimate of funds developed pursuant to Section 14524. The financial element may recommend the development of specified new sources of revenue, consistent with the policy element and action element.

(B) The financial element of transportation planning agencies with populations that exceed 200,000 persons may include a project cost breakdown for all projects proposed for development during the 20-year life of the plan that includes total expenditures and related percentages of total expenditures for all of the following:

- (i) State highway expansion.
- (ii) State highway rehabilitation, maintenance, and operations.
- (iii) Local road and street expansion.
- (iv) Local road and street rehabilitation, maintenance, and operation.
- (v) Mass transit, commuter rail, and intercity rail expansion.
- (vi) Mass transit, commuter rail, and intercity rail rehabilitation, maintenance, and operations.
- (vii) Pedestrian and bicycle facilities.
- (viii) Environmental enhancements and mitigation.
- (ix) Research and planning.
- (x) Other categories.

(C) The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall consider financial incentives for cities and counties that have resource areas or farmland, as defined in Section 65080.01, for the purposes of, for example, transportation investments for the preservation and safety of the city street or county road system and farm-to-market and interconnectivity transportation needs. The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall also consider financial assistance for counties to address countywide service responsibilities in counties that contribute toward the greenhouse gas emission reduction targets by implementing policies for growth to occur within their cities.

(c) Each transportation planning agency may also include other factors of local significance as an element of the regional transportation plan, including, but not limited to, issues of mobility for specific sectors of the community, including, but not limited to, senior citizens.

(d) (1) Except as otherwise provided in this subdivision, each transportation planning agency shall adopt and submit, every four years, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. A transportation planning agency located in a federally designated air quality attainment area or that does not contain an urbanized area may at its option adopt and submit a regional transportation plan every five years. When applicable, the plan shall be consistent with federal planning and programming requirements and shall conform to the regional transportation plan guidelines adopted by the California Transportation Commission. Before adoption of the regional transportation plan, a public hearing shall be held after the giving of notice of the hearing by publication in the affected county or counties pursuant to Section 6061.

(2) (A) Notwithstanding subdivisions (b) and (c), and paragraph (1), inclusive, the regional transportation plan, sustainable communities strategy, and environmental impact report adopted by the San Diego Association of Governments on October 9, 2015, shall remain in effect for all purposes, including for purposes of consistency determinations and funding eligibility for the San Diego Association of Governments and all other agencies relying on those documents, until the San Diego Association of Governments adopts its next update to its regional transportation plan.

(B) The San Diego Association of Governments shall adopt and submit its update to the 2015 regional transportation plan on or before December 31, 2021.

(C) After the update described in subparagraph (B), the time period for San Diego Association of Governments' updates to its regional transportation plan shall be reset and shall be adopted and submitted every four years.

(D) Notwithstanding clause (iv) of subparagraph (A) of paragraph (2) of subdivision (b), the State Air Resources Board shall not update the greenhouse gas emission reduction targets for the region within the jurisdiction of the San Diego Association of Governments before the adoption of the update to the regional transportation plan pursuant to subparagraph (B).

(E) The update to the regional transportation plan adopted by the San Diego Association of Governments on October 9, 2015, which will be prepared and submitted

to federal agencies for purposes of compliance with federal laws applicable to regional transportation plans and air quality conformity and which is due in October 2019, shall not be considered a regional transportation plan pursuant to this section and shall not constitute a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(F) In addition to meeting the other requirements to nominate a project for funding through the Solutions for Congested Corridors Program (Chapter 8.5 (commencing with Section 2390) of Division 3 of the Streets and Highways Code), the San Diego Association of Governments, until December 31, 2021, shall only nominate projects for funding through the Solutions for Congested Corridors Program that are consistent with the eligibility requirements for projects under any of the following programs:

(i) The Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code).

(ii) The Low Carbon Transit Operations Program (Part 3 (commencing with Section 75230) of Division 44 of the Public Resources Code).

(iii) The Active Transportation Program (Chapter 8 (commencing with Section 2380) of Division 3 of the Streets and Highways Code).

(G) Commencing January 1, 2020, and every two years thereafter, the San Diego Association of Governments shall begin developing an implementation report that tracks the implementation of its most recently adopted sustainable communities strategy. The report shall discuss the status of the implementation of the strategy at the regional and local level, and any successes and barriers that have occurred since the last report. The San Diego Association of Governments shall submit the implementation report to the state board by including it in its sustainable communities strategy implementation review pursuant to clause (ii) of subparagraph (J) of paragraph (2) of subdivision (b).

(Amended by Stats. 2019, Ch. 634, Sec. 2. (AB 1730) Effective January 1, 2020.)

**State of California**

**GOVERNMENT CODE**

**Section 65584**

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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).

(Amended by Stats. 2018, Ch. 989, Sec. 1.5. (AB 1771) Effective January 1, 2019.)

**State of California**

**GOVERNMENT CODE**

**Section 65584.04**

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

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

(2) With respect to the objective in paragraph (5) of subdivision (d) of Section 65584, the survey shall review and compile information that will allow the development of a methodology based upon the issues, strategies, and actions that are included, as available, in an Analysis of Impediments to Fair Housing Choice or an Assessment of Fair Housing completed by any city or county or the department that covers communities within the area served by the council of governments, and in housing elements adopted pursuant to this article by cities and counties within the area served by the council of governments.

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

(4) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(5) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (e) before the public comment period provided for in subdivision (d).

(c) The council of governments shall electronically report the results of the survey of fair housing issues, strategies, and actions compiled pursuant to paragraph (2) of subdivision (b). The report shall describe common themes and effective strategies

employed by cities and counties within the area served by the council of governments, including common themes and effective strategies around avoiding the displacement of lower income households. The council of governments shall also identify significant barriers to affirmatively furthering fair housing at the regional level and may recommend strategies or actions to overcome those barriers. A council of governments or metropolitan planning organization, as appropriate, may use this information for any other purpose, including publication within a regional transportation plan adopted pursuant to Section 65080 or to inform the land use assumptions that are applied in the development of a regional transportation plan.

(d) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community as well as members of protected classes under Section 12955. The proposed methodology, along with any relevant underlying data and assumptions, an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, how each of the factors listed in subdivision (e) is incorporated into the methodology, and how the proposed methodology furthers the objectives listed in subdivision (e) of Section 65584, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written or electronic request for the proposed methodology and published on the council of governments', or delegate subregion's, internet website. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

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

(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

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

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

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill

development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

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

(4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.

(5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.

(7) The rate of overcrowding.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the

development of methodologies for the seventh and subsequent revisions of the housing element.

(11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.

(12) The region’s greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

(13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

(f) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584. The methodology may include numerical weighting. This information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments’, or delegate subregion’s, internet website.

(g) The following criteria shall not be a justification for a determination or a reduction in a jurisdiction’s share of the regional housing need:

(1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

(2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction’s annual production report submitted pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(3) Stable population numbers in a city or county from the previous regional housing needs cycle.

(h) Following the conclusion of the public comment period described in subdivision (d) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, and as a result of consultation with the department, each council of governments, or delegate subregion, as applicable, shall publish a draft allocation methodology on its internet website and submit the draft allocation methodology, along with the information required pursuant to subdivision (e), to the department.

(i) Within 60 days, the department shall review the draft allocation methodology and report its written findings to the council of governments, or delegate subregion, as applicable. In its written findings the department shall determine whether the methodology furthers the objectives listed in subdivision (d) of Section 65584. If the department determines that the methodology is not consistent with subdivision (d) of Section 65584, the council of governments, or delegate subregion, as applicable, shall take one of the following actions:

(1) Revise the methodology to further the objectives listed in subdivision (d) of Section 65584 and adopt a final regional, or subregional, housing need allocation methodology.

(2) Adopt the regional, or subregional, housing need allocation methodology without revisions and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of the department.

(j) If the department’s findings are not available within the time limits set by subdivision (i), the council of governments, or delegate subregion, may act without them.

(k) Upon either action pursuant to subdivision (i), the council of governments, or delegate subregion, shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to the department, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website.

(l) The department may, within 90 days, review the adopted methodology and report its findings to the council of governments, or delegate subregion.

(m) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

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

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

(Amended (as amended by Stats. 2018, Ch. 990, Sec. 3.7) by Stats. 2019, Ch. 335, Sec. 4. (AB 139) Effective January 1, 2020.)

**State of California**

**GOVERNMENT CODE**

**Section 65584.05**

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65584.05. (a) At least one and one-half years before the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, and the department, based on the methodology adopted pursuant to Section 65584.04 and shall publish the draft allocation on its internet website. The draft allocation shall include the underlying data and methodology on which the allocation is based, and a statement as to how it furthers the objectives listed in subdivision (d) of Section 65584. It is the intent of the Legislature that the draft allocation should be distributed before the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 45 days following receipt of the draft allocation, a local government within the region or the delegate subregion, as applicable, or the department may 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. Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584. An appeal pursuant to this subdivision shall be consistent with, and not to the detriment of, the development pattern in an applicable sustainable communities strategy developed pursuant to paragraph (2) of subdivision (b) of Section 65080. Appeals shall be limited to any of the following circumstances:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

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

(3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant



to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

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

(d) No later than 30 days after the close of the comment period, and after providing all local governments within the region or delegate subregion, as applicable, at least 21 days prior notice, the council of governments or delegate subregion shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).

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

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

(2) Issue a proposed final allocation plan.

(f) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the appeals process. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03.

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

governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 30 days after the department's receipt of the final allocation plan adopted by the council of governments, the department shall determine if the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

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

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

(j) The San Diego Association of Governments may follow the process in this section for the draft and final allocation plan for the sixth revision of the housing element notwithstanding such actions being carried out before the adoption of an updated regional transportation plan and sustainable communities strategy.

(Amended by Stats. 2019, Ch. 634, Sec. 4. (AB 1730) Effective January 1, 2020.)

## RHNA SUBCOMMITTEE CHARTER – 6<sup>th</sup> Cycle

Page 1 of 2

### **Purpose of the Subcommittee**

The purpose of the RHNA Subcommittee is to review in-depth the various policy considerations necessary to the development of SCAG's Regional Housing Needs Assessment (RHNA), and to make critical decisions throughout the RHNA process, including but not limited to the following: the RHNA methodology, the draft and final RHNA allocations, and appeals related to draft RHNA allocations. The decisions of the RHNA Subcommittee will serve as recommendations to SCAG's Community, Economic and Human Development (CEHD) Committee and the Regional Council, except that the RHNA Subcommittee will make the final decisions regarding all appeals of draft RHNA allocations.

### **Authority**

Authorized by the Regional Council, the RHNA Subcommittee serves as a subcommittee of the CEHD Committee, and will be reporting to the CEHD Committee. All actions by the RHNA Subcommittee, except for actions pertaining to appeals of draft RHNA allocations, are subject to the review and approval of the CEHD Committee and the Regional Council. Recognizing the significant amount of work undertaken by the RHNA Subcommittee, the CEHD Committee and the Regional Council will rely on the policy judgments of the RHNA Subcommittee. The RHNA Subcommittee shall be dissolved as of the date in which the final RHNA allocation is adopted by the Regional Council.

### **Composition**

The RHNA Subcommittee will consist of twelve (12) members of the Regional Council or the CEHD Committee to represent the six (6) counties of the SCAG region. Each county shall have a primary member and an alternate member to serve on the RHNA Subcommittee. The SCAG President will appoint the members of the RHNA Subcommittee and will select one of the members to serve as the Chair of the RHNA Subcommittee. Membership of the RHNA Subcommittee may also include as non-voting members serving as stakeholder representatives appointed by the SCAG President.

### **Meetings and Voting**

The meetings of the RHNA Subcommittee will occur during the applicable period when SCAG is developing the RHNA. The RHNA Subcommittee shall have the authority to convene meetings as circumstances require. A meeting quorum shall be established when there is attendance by at least one representative (either a primary member or an alternate member) from each of the six (6) counties. Stakeholder representatives serving as non-voting members of the RHNA Subcommittee are not counted for purposes of establishing a meeting quorum.

All RHNA Subcommittee members are expected to attend each meeting, to the extent feasible. RHNA Subcommittee members may attend meetings by teleconference or video-conference. All meetings of the RHNA Subcommittee are subject to the Brown Act. The Chair of the RHNA Subcommittee shall preside over all meetings and the Subcommittee may select another

## RHNA SUBCOMMITTEE CHARTER – 6<sup>th</sup> Cycle

Page 2 of 2

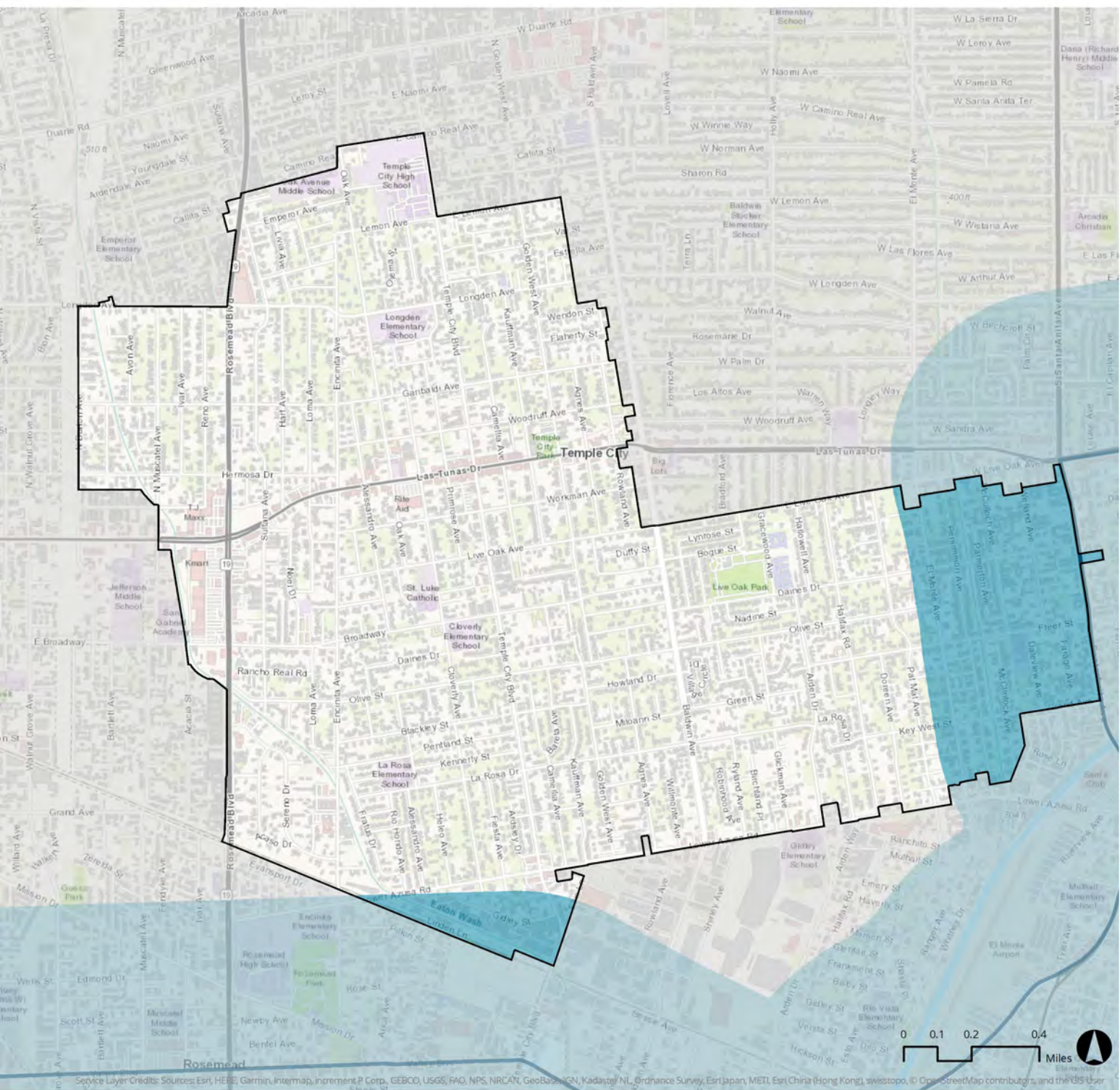
Subcommittee member to serve as the Vice-Chair in the Chair’s absence. The RHNA Subcommittee will invite SCAG staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to RHNA Subcommittee members, along with appropriate briefing materials and reports, in accordance with the Brown Act. Minutes of each meeting will be prepared.

For purposes of voting, each county shall be entitled to one (1) vote to be cast by either the primary member or alternate member representing the respective county. In the event of a tie vote, the Chair of the Subcommittee may vote to break the tie except if the Chair of the Subcommittee has casted a vote as a Subcommittee member. In that exception, the Vice Chair of the Subcommittee may break the tie vote. In the case of an appeal submitted on behalf of a Subcommittee member’s individual local jurisdiction, the Subcommittee member may elect not to participate in the discussion and vote by the RHNA Subcommittee regarding such appeal.

### Responsibilities

The RHNA Subcommittee will carry out the following responsibilities:

- Review information useful to the development of the RHNA Plan;
- Review and make policy decisions related to the RHNA process including policies for the RHNA methodology, the RHNA methodology, and the draft and final RHNA allocations, and forward such decisions to the CEHD Committee for review and approval. In making its policy decisions, the RHNA Subcommittee should consider the integration of the RHNA with the Regional Transportation Plan/Sustainable Communities Strategy;
- Review and make decisions regarding guidelines for the RHNA process including guidelines related to subregional delegation, and forward such decisions to the CEHD Committee for review and approval; and
- Review and make the final decisions regarding appeals related to the jurisdiction’s draft RHNA allocation. In this capacity, the RHNA Subcommittee shall be known as the “RHNA Appeals Board.” These final decisions by the RHNA Appeals Board shall not reviewable by the CEHD Committee or by the Regional Council.



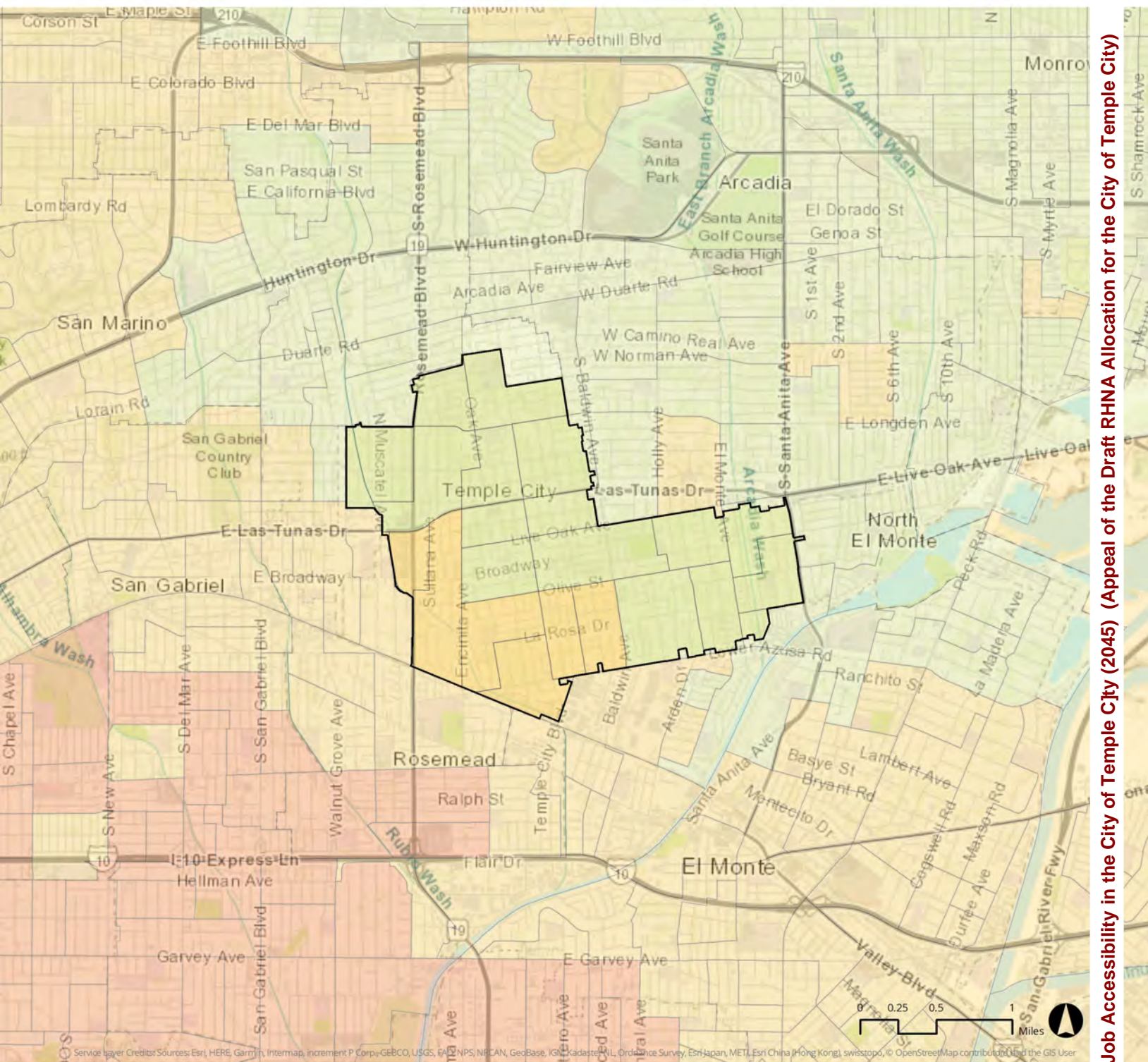
## Major Transit Stops and High Quality Transit Areas in City of Temple City [Year 2045]

- Major Transit Stops
- High Quality Transit Corridors (HQTCs)
- High Quality Transit Areas (HQTAs)

Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCs), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCs are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTA) is within one-half mile from Major Transit Stops and HQTCs and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of Temple City. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data please refer to the SCAG Data/Map Book at [connectsoocal.org/Pages/Local-Input-Process.aspx](https://connectsoocal.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).



## TAZ-level job accessibility in and around: City of Temple City [Year 2045]

0% - 2.29%    2.3% - 7.8%    7.81% - 11.68%    11.69% - 15.51%    15.52% - 19.63%    19.64% - 100%

Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodology of this map, please refer to the SCAG Data/Map Book at <https://www.connectsocial.org/Pages/Local-Input-Process.aspx> or contact RTPLocalIn



Southern California Association of Governments  
k h \  
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: Michael Gainor, Senior Regional Planner,  
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of San Gabriel

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of San Gabriel (the City) to reduce its Draft RHNA Allocation from its current allocation of 3,017 housing units to an undefined lower number of units.

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of San Gabriel requests a reduction of its Draft RHNA Allocation from the current allocation of 3,017 residential units based on the following four issues:

- 1) Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021 -2029)
- 2) Sewer or water infrastructure constraints for additional development
- 3) Availability of land suitable for urban development or for the conversion to residential use
- 4) Affirmatively furthering fair housing

**RATIONALE FOR STAFF RECOMMENDATION:**

SCAG staff have reviewed the appeal submitted by the City of San Gabriel and recommend no change be made to the City's RHNA allocation.

**Issue 1:** The appeal based on an improper application of the adopted RHNA methodology was not demonstrated because the City's stable population growth from the previous regional housing needs cycle cannot be used as a justification for a reduction in a jurisdiction's share of the regional housing need.

**OUR MISSION**

*To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.*

**OUR VISION**

*Southern California's Catalyst for a Brighter Future*

**OUR CORE VALUES**

*Be Open | Lead by Example | Make an Impact | Be Courageous*

**Issue 2:** The appeal based on the existence of sewer and water infrastructure constraints was not demonstrated to be a viable factor for reducing the City's RHNA allocation. Costs to upgrade and develop appropriate infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA allocation is not a building quota. RHNA requires local jurisdiction only to plan and zone for its determined housing need and is not penalized for not developing the allocated units.

**Issue 3:** The appeal based on a lack of available land suitable for urban development was not demonstrated to be a justifiable factor for reducing the City's RHNA allocation. Local jurisdictions are required by RHNA law to consider other land use opportunities, in addition to existing vacant lands, for residential development.

**Issue 4:** The appeal based on affirmatively furthering fair housing was not demonstrated because sufficient supporting evidence was not provided that the City of San Gabriel's share of assigned housing need is inconsistent with the application of the adopted RHNA allocation methodology.

#### **BACKGROUND:**

##### **Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, each local jurisdiction in the SCAG region received its Draft RHNA Allocation on September 11, 2020. A summary of the RHNA allocation for the City of San Gabriel is provided below.

##### **Total RHNA Allocation for the City of San Gabriel: 3,017 units**

Very Low Income: 844 units

Low Income: 415 units

Moderate Income: 465 units

Above Moderate Income: 1,293 units

Additional background information related to the Draft RHNA Allocation for the City of San Gabriel is included in Attachment 1.

##### **Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of San Gabriel. Three comments were received which relate to appeals filed generally:



- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

**ANALYSIS:**

***Issue 1: Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

*The City of San Gabriel argues that the adopted RHNA allocation methodology was not developed and applied in a manner that accurately reflects current conditions in San Gabriel. Specifically, the City argues that the RHNA allocation methodology failed to adequately account for local data and information obtained through the local input process in the calculation of the city's Draft Allocation.*

**SCAG Staff Response:** SCAG's final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD's regional housing needs determination. Only improper application of the methodology is grounds for an appeal. An example of an improper application of the adopted methodology might be a data error which was identified by a local jurisdiction.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives<sup>1</sup>, in large part due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

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<sup>1</sup> The five RHNA objectives are: 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

Attachment 1 also describes the extensive, 18-month Bottom Up Local Input and Envisioning Process whereby SCAG met one-on-one with all 197 local jurisdictions to solicit growth forecast and other information. SCAG staff met with City of San Gabriel staff in April 2018 to discuss the Bottom-Up Local Input and Envisioning Process, solicit feedback, and answer questions. However, local input regarding a city's growth forecast was never intended to be equivalent to a RHNA number and in order to meet the five RHNA objectives, and to accommodate the total of 1.34 million housing units region-wide, other factors needed to be considered.

The City notes that it has experienced an approximately one percent rate of growth since 1990 and that its Draft RHNA Allocation is seven times greater than the population growth it has experienced since 2012. However, Government Code section 65584.04(g)(3) specifically prohibits SCAG from determining a jurisdiction's share of housing need or reducing a jurisdiction's share of housing need based on stable population growth from the previous RHNA cycle.

The City also notes that it is located within a 15-minute non-peak commute time from downtown Los Angeles, which results in high scores for job and transit accessibility in SCAG's RHNA methodology. The City's proximity to jobs and transit indicates that San Gabriel's Draft RHNA Allocation is consistent with the transit and job proximity policies explicitly expressed in the methodology. Therefore, a misapplication of the adopted RHNA Methodology has not been successfully demonstrated.

Relatedly, the City notes that it is a relatively small sized jurisdiction and does not contain any designated priority growth areas or job centers as identified in SCAG's 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). While this may be true, the job accessibility measure used in the RHNA methodology is dependent on the location of regional jobs where future residents may experience a short commute. Currently, 80 percent of SCAG region workers live and work in different jurisdictions, and a regional strategy aimed at improving the regional jobs-housing relationship (RHNA Objective 3) necessitates consideration of employment opportunities outside the boundaries of an individual jurisdiction.

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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 emission 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; and 5) Affirmatively furthering fair housing (Govt. Code § 65584(d)).

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There is no evidence provided that the City of San Gabriel's share of assigned housing need is inconsistent with the proper application of the adopted RHNA Allocation Methodology. For this reason, SCAG staff does not recommend a reduction based on this factor.

**Issue 2: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].**

*The City contends that its sewer infrastructure is aging and is in need of substantial repair as well as increased on-going maintenance. The City estimates that a sewer upgrade will cost \$30 million citywide and \$17 to \$18 million in specific 'hot spot' areas. While the City has imposed a fee to collect funds to implement infrastructure improvements, necessary funding for just the hot spots will require ten years to collect. Therefore, the City must allocate additional funds to continue on-going system maintenance and to accommodate further development.*

**SCAG Staff Response:** For Government Code Section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. Costs to upgrade and develop appropriate infrastructure may not be considered by SCAG as a justification for a reduction since the RHNA Allocation does not represent a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units. For this reason, SCAG staff does not recommend a reduction to the City's RHNA allocation based on this factor.

**Issue 3: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].**

*The City of San Gabriel argues in its appeal that it does not have the available land necessary to accommodate its Draft RHNA Allocation. The City argues that, while it could accommodate its prior assigned need, the 6<sup>th</sup> cycle allocation severely exceeds the number of potential and underutilized sites identified in the current 5<sup>th</sup> cycle housing element and further states that the City is fully built out. Additionally, the appeal states that the actual build-out of the planned units would represent only a fraction of its allocated need and that only 372 of its 930 allocated units from the prior cycle have been permitted.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use", as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are to

be a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for housing development. This includes the availability of underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City’s projected growth.

Additionally, Government Code section 65584.04(g)(2) specifically prohibits SCAG from determining a jurisdiction’s share of housing need or reducing the jurisdiction’s share of housing need based on underproduction of units from a prior RHNA cycle. Thus, the lack of issued permits for the 5<sup>th</sup> RHNA cycle may not be considered as a justification for a reduction to the City’s Draft RHNA Allocation.

For these reasons, SCAG does not recommend a reduction to San Gabriel’s draft RHNA allocation based on this factor.

***Issue 4: Affirmatively furthering fair housing (AFFH).***

*The City of San Gabriel is already proactively updating its planning policy and regulatory documents to require more fair housing from new developments as well as converted developments for adaptive reuse purposes. The City’s efforts to encourage and promote fair housing started prior to release of the Draft RHNA Allocation and should be included as part of the allocation considerations.*

**SCAG Staff Response:** The City of San Gabriel’s proactive approach toward seeking resources and advancing policies related to fair housing is recognized and SCAG looks forward to further opportunities to promote these shared goals with the City, including collaboration with the San Gabriel Valley Council of Governments. These actions will serve to increase affordable housing supply in the City and prevent the loss of affordable units, thereby helping San Gabriel achieve its housing targets. However, these laudable actions do not constitute evidence that the City’s Draft RHNA Allocation should be lowered based on AFFH considerations. The Final RHNA Methodology addresses disparities in income and access to opportunity through use of a social equity adjustment to ensure that especially low-resourced jurisdictions do not receive a disproportionately high lower-income RHNA allocation.

The City does not demonstrate in its appeal that these factors were improperly applied in the RHNA methodology. The supportive policies referenced in the appeal are intended to help the City of San

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Gabriel achieve its RHNA targets rather than forming a basis for lowering them. As such, SCAG staff does not recommend that the City's `Draft `RHNA `Allocation ` be reduced in response to its previous activities in support of fair housing.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY 2020-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

**ATTACHMENT(S):**

1. Attach 1\_Local Input\_Draft RHNA Allocation\_San Gabriel
2. Attach 2\_RHNA Appeal Letter\_San Gabriel
3. Attach 3\_RHNA Appeal Form\_San Gabriel
4. Attach 4\_2045 HQT Map\_San Gabriel
5. Attach 5\_2045 Job Access Map\_San Gabriel

## **Attachment 1: Local Input and Development of Draft RHNA Allocation**

This attachment sets forth the nature and timing of the opportunities which the City of San Gabriel had to provide information and local input on SCAG’s growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (Connect SoCal). It also describes how the RHNA Methodology development process integrated this information to develop the City of San Gabriel’s Draft RHNA Allocation.

### **1. Local input**

#### ***a. Bottom-Up Local Input and Envisioning Process***

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each local jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision, which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG’s growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG’s Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG’s preliminary growth forecast information. For the City of San Gabriel, the anticipated number of households in 2020 was 12,992 and in 2030 was 14,131 (growth of 1,139 households). In April 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of San Gabriel on

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<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data reviewed during this process may be found in each jurisdiction’s Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>

the growth forecast was received in September 2018. Following this input, household totals were not changed.

**b. RHNA Methodology Surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of San Gabriel submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**c. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections obtained through the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG reduction targets, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional details regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections, may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmDM.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG

did not receive additional technical corrections from the City of San Gabriel which differed from the Growth Vision.

**2. Development of the Final RHNA Methodology**

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG’s 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

*(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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provided it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the*



*statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020:*

<https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, again following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: ‘projected need’, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and ‘existing need’, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTa) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### **3. Draft RHNA Allocation for the City of San Gabriel**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of San Gabriel received its draft RHNA allocation on September 11, 2020. Application of the adopted RHNA methodology yields the draft RHNA allocation for the City of San Gabriel as summarized in the data and calculations provided in the table below.

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<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1:

[https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

City of San Gabriel Statistics and Inputs		Calculation of Draft RHNA Allocation for San Gabriel	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	940	Forecasted household (HH) growth, RHNA period:	940
Percent of households who are renting:	55%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	32
Housing unit loss from demolition (2009-18):	114	Replacement Need:	114
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	2,364	TOTAL PROJECTED NEED:	1,086
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	14.25%	Existing need due to job accessibility (50%):	1,003
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,432,000	Existing need due to HQTAs pop share (50%):	761
Share of region's job accessibility (population weighted):	0.24%	Net residual factor for existing need: <i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	167
Jurisdiction's HQTAs population (2045):	18,606	TOTAL EXISTING NEED:	1,930
Share of region's HQTAs population (2045):	0.18%	<b>TOTAL RHNA FOR THE CITY OF SAN GABRIEL:</b>	<b>3,017</b>
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI):	844
Share of population in very high-resource tracts:	6.55%	Low income (50-80% of AMI):	415
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	465
		Above moderate income (>120% of AMI):	1,293

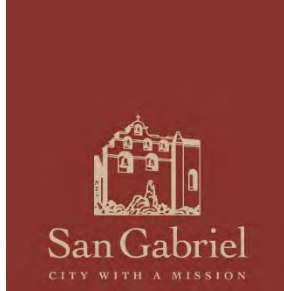
The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 18,606 living within HQTAs, the City of San Gabriel is projected to account for 0.18 percent of the SCAG region's total 2045 HQTAs population, which provides the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from a local jurisdiction's median TAZ is used as to allocate housing

units based on job accessibility. From the City of San Gabriel’s median TAZ, it will be possible to reach 14.25 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,432,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered ‘Disadvantaged Communities’ (DACs) based on access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as ‘residual need’, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 167 units assigned to the City of San Gabriel.

Please note that the above represents only a partial description of the key data and calculations which result in the draft RHNA allocation.



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October 26, 2020

Kome Ajise, Executive Director  
 Southern California Association of Governments  
 900 Wilshire Boulevard, Suite 1700  
 Los Angeles, CA 90017

**RE: 6<sup>th</sup> CYCLE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)  
 ALLOCATION APPEAL**

Dear Mr. Kome Ajise:

On behalf of the City of San Gabriel (“City”), we are writing to appeal the draft RHNA allocation released on September 4, 2020. We would first like to thank the Southern California Association of Governments (SCAG) for the opportunity to appeal the draft RHNA allocation for the City of San Gabriel. Pursuant to Government Code § 65584.05, the City is filing an appeal and requesting a reduction of its allocated numbers based upon the criteria discussed below. This appeal is consistent with, and not to the detriment of, the development pattern in the Sustainable Communities Strategies (SCSs) and SCAG’s Connect SoCal Plan per Government Code §65080(b)(2).

**I. METHODOLOGY**

The City would like to reiterate the comments submitted in its September 13, 2019 letter to SGAC regarding the RHNA Methodology. The allocation should be based on accurate population forecasts and the reasonable application of logical principles and assumptions to calculate the regional determination. At this time, the RHNA Methodology assigns a higher percentage of the regional housing need to cities located near high quality transit areas (HQTAs) and job accessibility regardless of their individual circumstances. Meanwhile, cities located further away from HQTAs and job accessibility are automatically assigned a lower percentage of the regional housing need even if they have the excess land capacity, vacant land, and underutilized parcels.

The City understands that the key aspects of SCSs focus on housing and job growth within existing urbanized areas, giving greater accessibility to job opportunities and high quality transit, utilizing infill opportunities to conserve natural resources and farmlands, and planning for homes at a range of densities and affordability levels near job centers. However, the answer to the housing crisis is not to overtax physically constrained, built-out cities. We should instead rely on thoughtful long-range planning and form policies that encourage employment and transit in areas that have the capacity and available land to accommodate more development and housing.

As the region’s population increases, ages, and diversifies, land use decisions and transportation investments made at the federal, state, regional and local levels must be coordinated to achieve Connect SoCal’s regional goals. Developing centers with a mix of land uses, a range of building types, and connected public spaces can strengthen the fabric of communities. Targeting rideshare

Attachment: Attach 2\_RHNA Appeal Letter\_San Gabriel (Appeal of the Draft RHNA Allocation for the City of San Gabriel)

and transportation demand management strategies near employment centers can reduce travel costs and improve air quality. Thoughtfully locating freight delivery facilities and logistics centers can reduce truck travel and the impact of goods movement on communities. It is widely accepted that coordinating land-use and transportation strategies yields beneficial outcomes.

To that end, the housing needs distribution should not be analyzed merely on a regional level. Consideration should be given to actual conditions in each city as well, such as individual growth factors and available land capacity. For example, in cities where job growth is increasing, there should be long-range strategies to provide housing and transportation options to support developing job centers within those areas. Additionally, federal, state, and regional policies and programs should offer incentives to encourage job creation in areas that have available housing and land.

*A. Projected Household Growth.*

According to the Final RHNA Methodology, projected need is considered as household growth for a jurisdiction. According to San Gabriel's 2008-2014 Housing Element, the average household size was 3.10. According to San Gabriel's 2013-2021 Housing Element, the average household size was 3.13. In 13 years, the City of San Gabriel has experienced less than a one percent growth in household size. According to San Gabriel's 2013-2021 Housing Element, for the past 30 years, since 1990, the City has experienced a growth of only 3,215 residents, from 37,120 to 40,335 residents. Again, this amounts to less than a one percent growth.

For the past eight years since 2012, the City has grown by merely 409 residents. However, the RHNA allocation for the next eight years is 3,017 units--significantly higher than our historic household and population growth. This allocation is seven times the actual population growth in the past eight-year period, and even then, that is a conservative assessment as it assumes single-occupant households. If the 409 residents are considered in terms of shared households, then the allocated units are even more disproportionate to our actual anticipated growth. The City therefore believes the allocation should be revised.

The City understands there were timing issues during the formulation of the Methodology; however, further consideration must be given to a modified approach to the process, versus a one-size-fits-all formula. When the projected growth is seven times the actual growth and almost equivalent to a 30-year growth period, then there is reason to be concerned about how the Methodology is being applied to the City of San Gabriel. This problem can be attributed to the existing need formula.

*B. Existing Housing Need Formula.*

The existing housing need assignment is problematic. The Final RHNA Methodology assigns 50% of the regional existing need based on a jurisdiction's share of regional residential population within a High Quality Transit Area (HQTAs) and 50% of the regional existing need based on job accessibility. The City of San Gabriel is located approximately 10 miles from downtown Los Angeles, a 15-minute commute during non-peak hours. But the City is just 4.1 square miles in size, one of the smaller cities amongst the 31 that comprise the San Gabriel Valley. It is built-out and has less available land than its neighboring cities to accommodate more development. However, due to its proximity to a HQTAs and job accessibility, the City is assigned a greater

percentage of the need. According to the SGAC's Connect SoCal Plan, the City is not identified as a Priority Growth Area or Job Center Area. This methodology assumes the City has a greater housing need solely because of its geographic location, without considering actual growth, demand, and/or overcrowding factors.

## II. SEWER AND WATER INFRASTRUCTURE CONSTRAINTS

In the 4<sup>th</sup> and 5<sup>th</sup> RHNA cycles, the City of San Gabriel showed that its infrastructure is aging and in need of repair. Repairs and improvements are more often reactive than proactive, and the delays are largely due to lack of funding. This issue makes the current allocation even more problematic because the number of allocated units continues to increase with each RHNA cycle, while the City's sewer infrastructure remains insufficient for our already existing demand.

### A. *Deficient Sewer Infrastructure.*

San Gabriel's sewer system was installed in the mid 1930's to early 1940's. This public sewer system serves more than 40,000 residents and nearly 2,000 businesses. The City has made efforts to fix problems as they have occurred over the decades, but the system is constantly under repair and ever increasing maintenance. The average lifespan for clay sewer pipe is approximately 75-years, and while 100-year life may be achievable under ideal conditions, San Gabriel's sewer system is undoubtedly in need of a major infrastructure overhaul. Current design standards call for sewer pipes to be designed for 50% flow depth compared to a 75% flow depth when the system was installed.

The City prepared a comprehensive study of the public sewer system in 2009. The study included an inventory of the pipes and manholes that make up the system, an evaluation of the sewer flows and capacity of the system, and an assessment of the condition of the system. Using the information collected, the study identified areas of the system that require improvement to increase capacity and to correct structural deficiencies. The study estimates that over \$30 million in repairs is needed to the system. In addition, ongoing routine maintenance must be increased to ensure uninterrupted service and to protect public health and the environment from preventable sewer overflows.

Approximately 58% of the system is currently over capacity, flowing at more than 50% to more than 100% full (under pressure) during peak flow conditions. These pipelines need to be upgraded to provide sufficient capacity for the implementation of the 2004 General Plan. The condition survey of the sewer system found that 20% of the system will need repairs of low priority, about 50% of the system will require repairs of medium priority, and about six percent will require repairs of high priority. Based on the results of the sewer system capacity analysis and condition survey, several replacement and repair projects are proposed to mitigate the identified capacity and condition deficiencies.

### B. *Required Capacity Upgrades.*

To mitigate the deficient sewer mains, there are two options: Either replace the deficient sewer with a larger sewer main or parallel the existing main with relief sewer. The damaged sewer segments were evaluated to determine the best approach. The City's capital improvement projects (CIPs) address the capacity deficiencies in the existing sewer system that would occur

based on the City's General Plan. The pipeline reaches have been grouped and prioritized into projects. The projects have been organized based on location, logical construction order, size of upstream pipes, size of downstream pipes and location. This was all based on the assumption that the CIPs are for the construction of replacement sewer pipes. Consideration and evaluation of other alternatives, such as relief parallel lines or diversions, should be made at the project pre-design stage.

These problem sewer areas are also the areas designated for increased densities as part of the Valley Boulevard Specific Plan adopted in 2006, which would allow for increased housing opportunities over a 20-year period, up to 2026. Unfortunately, many of the pipes within the Valley Boulevard Specific Plan area are at or exceeding the original 75% flow depth and are the source of many of the City's complaint calls. The City's Public Works Maintenance Crew is continuously flushing out the pipes on a weekly or bi-weekly basis to prevent a major sewage clog.

*C. Limited Funding to Upgrade Sewer.*

The cost to upgrade the sewer system will be about \$30 million citywide and at least \$17-18 million in the hot spot zones. The 2009 Sewer Master Plan proposed that the City implement a sewer user fee to help pay for the cost to upgrade the infrastructure. The City has been collecting sewer impact fees since 2006 ranging from \$3.05 per square feet for commercial uses to \$3,292 per residential unit on new development. In 2014, the City adopted a \$9.75 sewer user fee per single-family home. This fee will generate approximately \$1.75 million per year, which will take ten years just to address the hot spots zones. The City will need to allot adequate additional funds in order to continue with maintenance and upgrade the sewer system to accommodate further development. Ultimately, the shortfall continues to grow exponentially with the increase in densities to meet the RHNA allocation in each planning cycle.

**III. AVAILABILITY OF SUITABLE LAND**

The City of San Gabriel's allocated housing units are based on projections for buildout between 2020 and 2045 supplied by SCAG's 2020 RTP/SCS growth forecast. Though SCAG considers existing general plan and zoning maps to determine existing conditions, other significant factors are ignored, such as higher density allowances through the application of specific plan and planned development regulations, which award developments more density for the inclusion of a housing component. Cities can up-zone residential properties, but the land and individual units must still be a certain minimum size to meet Building & Safety and Fire codes. Land use and zoning can allow for higher densities, but these tools cannot solve every problem if there is simply no land available for the development of more housing.

Additionally, according the City's 2013-2021 Housing Element land inventory summary, potential and vacant underutilized sites for development includes 647 for lower-income, 409 for moderate-income, and 10 for above-income. This was adequate for the current 5<sup>th</sup> Cycle. The 6<sup>th</sup> Cycle will require sites for 1,259 lower-income, 465 moderate-income, and 1,293 above-income units. In other words, the lower-income site requirement is now double our availability, moderate-income exceeds availability by 13%, and the above-income requirement is nearly 130 times the number of available sites. In a built-out 4.1 square mile city, the allocated numbers now severely exceed the number of potential and underutilized sites identified in current 5<sup>th</sup> Cycle.

The proportionality of the allocated units to land in San Gabriel is concerning. To be clear, it will not be possible to meet the requirement for above-income units--a number that is, again, 130 times our current availability for that group. This is the type of unsound result that occurs when the assumed demand does not reflect the actual needs and realities of a city.

Land use, zoning, and densities are increased and adjusted every RHNA Cycle, but the actual build-out of planned units are typically a fraction of the allocated unit numbers (as seen in the City's 2019 Annual Housing Progress Reports submitted to the HCD). The City's 5<sup>th</sup> Cycle allocation was 930 units and by the end of the seventh year in the eight-year planning period, only 372 building permits were issued. The City further doubts the attainability of these allocated unit requirements, since the role of local government is not housing production. Up-zoning and increasing density does not convince the long-time land owner to sell property or guarantee that the private housing developer will acquire enough land to receive the benefits land use and zoning amendments may allow.

#### **IV. AFFIRMATIVELY FURTHERING FAIR HOUSING**

##### *A. Proactive Planning Policies and Regulations.*

While growth planning may be relatively slow in some cities, the City of San Gabriel acknowledges that there is population growth and the need for more housing at different affordability levels. This is why the City has been proactively planning housing strategies and programs in recent years. Some of the programs the City is implementing to further fair housing are discussed below.

On March 30, 2020, the Department of Housing and Community Development (HCD) awarded the City of San Gabriel \$160,000 of grant funding, the maximum and reimbursable award amount for small localities less than 60,000 people. A request for proposals (RFP) was issued on September 28, 2020 for preparation of the documents identified in the SB 2 Planning Grant Program Application, including:

- Developing an Inclusionary Housing Ordinance for City Council consideration;
- Updating the City's existing Density Bonus Ordinance;
- Developing administrative manuals (i.e., user manuals) for both ordinances that may be disseminated to the public, community stakeholders, developers, and affordable housing partners;
- Updating the City's General Plan Land Use and Zoning Maps to reflect all the amendments that have occurred since the adoption of the General Plan in 2004; and
- Updating the City's Zoning Code to be consistent with the goals and objectives identified in the 2021-2029 Housing Element.

As shown above, the City of San Gabriel is already proactively updating its planning policy and regulatory documents to require more fair housing from new developments as well as converted developments for adaptive reuse purposes. The City's efforts to encourage and promote fair housing started prior to the RHNA allocation and should be considered as part of the allocation considerations.



*B. Senate Bill 2 (SB 2) Permanent Local Housing Allocation Program.*

The Los Angeles County Development Authority (LACDA), on behalf of Los Angeles County and its participating cities, applied for the Permanent Local Housing Allocation (PLHA) grant from the California Department of Housing & Community Development (HUD). It is estimated that the City of San Gabriel will be allocated \$187,992 from the \$11 million grant. The County plans to utilize the annual allocations to establish and implement an Eviction Defense Program (EDP) that would provide legal defense and eviction prevention resources for all eligible residents experiencing or at risk of homelessness. Alternatively, many cities are exercising the option to utilize their funds for other eligible housing activities, including, but not limited to:

- The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary operating subsidies;
- The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs) that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days;
- Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent transitional housing.

On October 6, 2020, the San Gabriel City Council authorized the utilization of these funds toward the acquisition and predevelopment of an affordable housing development on a property that was previously not considered for housing development.

*C. County Affordable Housing Trust Fund.*

Other housing policies and programming efforts that should be considered in San Gabriel's allocation is the City's participation in the County Affordable Housing Trust Fund. Over the last year, the SGVCOG has been working with cities and stakeholders to explore the forming of a San Gabriel Valley Regional Housing Trust Fund. A Regional Housing Trust Fund would create a vehicle to receive and distribute funding to support the planning and construction of affordable and homeless housing in the San Gabriel Valley. These funds would be managed locally and would support projects that are deemed beneficial to the San Gabriel Valley cities.

At the request of the SGVCOG, State Senator Susan Rubio introduced legislation this year that would allow San Gabriel Valley cities to form a regional joint powers authority to receive and disperse both public and private financing for the planning and construction of affordable housing and homeless housing. The bill was approved by Governor Newsom in October 2019, and since then, the Regional Housing Trust has been formed and is now operational. The Trust will be overseen by a Board of seven elected officials from cities within the San Gabriel Valley and two experts in housing or homeless policy. The Board will identify priorities and goals and will disperse funding to projects that match these goals. On September 1, 2020, the San Gabriel City Council appropriated funding for this membership.

*D. Los Angeles County Homeless Count and Funding Availability.*

The Greater Los Angeles Homeless Count took place on January 21-23, 2020. Thousands of volunteers canvassed more than 80 cities and 200 communities across Los Angeles County. On January 21, 2020, the count covered the City of San Gabriel and the San Gabriel Valley. The Count helps officials to better understand homelessness in the region and direct resources where they are needed most. At the conclusion of the count cycle, the City will coordinate with agencies tasked with distributing Measure H funding to aide in planning and project efforts aimed at assisting persons experiencing housing instability and homelessness.

The above strategies and programs are examples of how the City of San Gabriel is already actively planning for its own growth and future housing production. These efforts should be taken into account when determining an appropriate unit allocation for the City. Consideration should also be given to more efficient applications of housing programs as well as federal, state, and regional funds.

**Conclusion**

The City of San Gabriel appreciates the process SCAG has undertaken in this 6<sup>th</sup> RHNA Cycle and hopes that SCAG will consider the above factors to reduce the number of allocated housing units to the City of San Gabriel. It should go without saying that any potential increases in allocated units will be absolutely untenable, as the current numbers already cannot be supported with our existing resources.

Questions, inquiries, and comments can be directed to the Planning Manager, Samantha Tewasart, at [stewasart@sgch.org](mailto:stewasart@sgch.org) or 626-308-2806.

Sincerely,



Arminé Chaparyan  
Assistant City Manager / Community Development Director  
City of San Gabriel

C: Mark Lazzaretto, City Manager  
Samantha Tewasart, Planning Manager

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

Date: October 26, 2020 Jurisdiction Subject to This Appeal Filing:  
*(to file another appeal, please use another form)*  
City of San Gabriel

Filing Party (Jurisdiction or HCD)  
Jurisdiction

Filing Party Contact Name Filing Party Email:  
Armine Chaparyan, Assistant City Manager achaparyan@sgch.org

**APPEAL AUTHORIZED BY:**

Name: Mark Lazzaretto

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region's greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

See attached letter dated October 26, 2020

**Brief Description of Appeal Request and Desired Outcome:**

See attached letter dated October 26, 2020

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced \_\_\_\_\_ Added 0

**List of Supporting Documentation, by Title and Number of Pages**

**(Numbers may be continued to accommodate additional supporting documentation):**

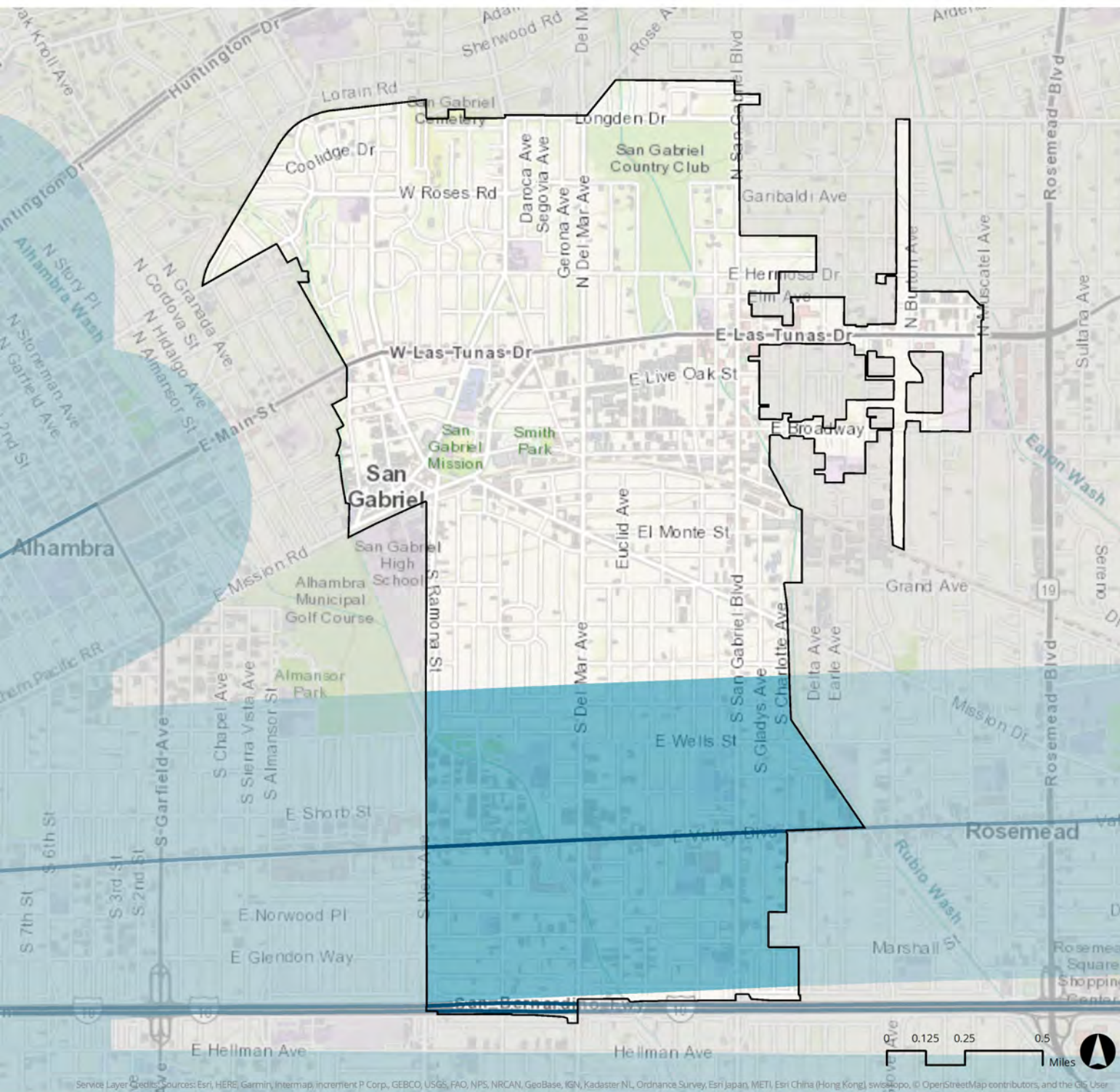
- 1.
- 2.
- 3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_



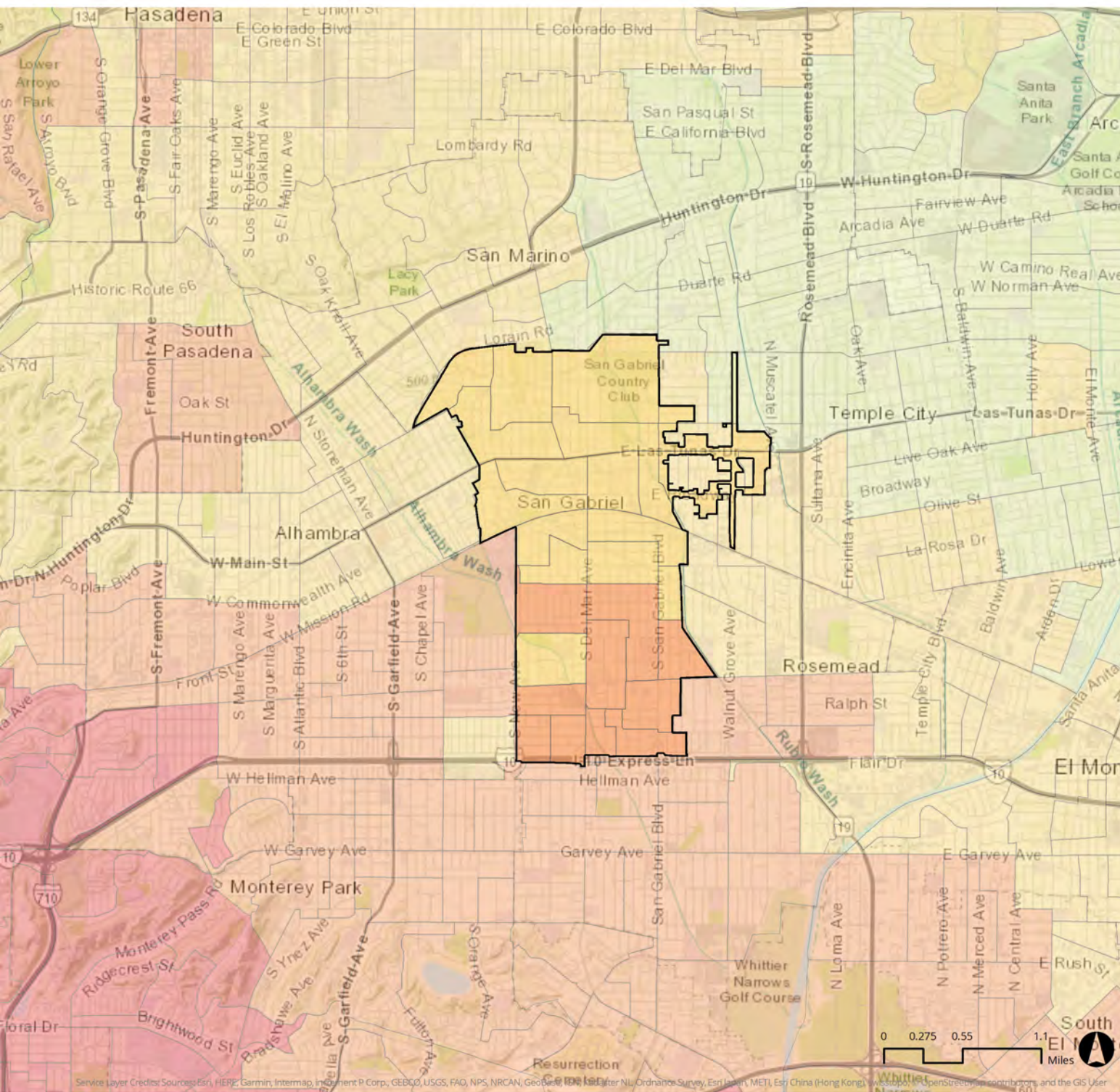
## Major Transit Stops and High Quality Transit Areas in City of San Gabriel [Year 2045]

- Major Transit Stops
- High Quality Transit Corridors (HQTCS)
- High Quality Transit Areas (HQTAs)

Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCS), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCS are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTA) is within one-half mile from Major Transit Stops and HQTCS and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of San Gabriel. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data, please refer to the SCAG Data/Map Book at [connectsoocal.org/Pages/Local-Input-Process.aspx](https://connectsoocal.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).



## TAZ-level job accessibility in and around: City of San Gabriel [Year 2045]



Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methods of this map, please refer to the SCAG Data/Map Book at <https://www.connectsocial.org/Pages/Local-Input-Process.aspx> or contact [RTPLocalInfo@scag.ca.gov](mailto:RTPLocalInfo@scag.ca.gov)



Southern California Association of Governments  
k h \  
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: Michael Gainor, Senior Regional Planner,  
(213) 236-1822, Gainor@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of South  
Pasadena

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of South Pasadena (the City) to reduce its Draft RHNA Allocation by 846 units.

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of South Pasadena requests a reduction of its RHNA allocation by 846 units (from 2,062 units to 1,216 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021 – 2029)
- 2) Sewer or water infrastructure constraints for additional development
- 3) Availability of land suitable for urban development or for conversion to residential use
- 4) Lands protected from urban development under existing federal or state programs\*
- 5) Affirmatively furthering fair housing\*
- 6) Changed circumstances

Other: The City also notes the potential for a negative impact on schools.

\* While the City has indicated affirmatively furthering fair housing (AFFH) as a basis for appeal on its RHNA Appeal Request form, the City does not appear to make an AFFH argument with respect to the information submitted in its appeal documentation. Rather, the City suggests that the methodology used to develop the regional determination was flawed and that the resultant overestimation of regional housing need obscures larger obstacles to affordable housing, including the lack of funding for affordable housing production.

**OUR MISSION**

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

**OUR VISION**

Southern California's Catalyst for a Brighter Future

**OUR CORE VALUES**

Be Open | Lead by Example | Make an Impact | Be Courageous

**RATIONALE FOR STAFF RECOMMENDATION:**

SCAG staff have reviewed the appeal and recommend no change to the City of South Pasadena's RHNA allocation. With respect to issues 1, 4, 5, and 6, the City proposes that the Final RHNA Methodology be revised to reduce reliance on HQT population, reducing South Pasadena's RHNA allocation accordingly. However, the recommendation of revising the adopted RHNA allocation methodology is not an eligible basis for appeal.

Regarding Issue 2, evidence that decisions made by the applicable utility service providers would preclude the construction of the allocated new housing units was not provided by the City in its appeal. Additionally, costs incurred to upgrade and develop appropriate sewer and water infrastructure may not be considered by SCAG as a justification for a RHNA allocation reduction. Arguments provided by the City in support of Issue 3 were not accepted because the City is required to consider the possibility of alternate land use opportunities and zoning to accommodate its housing need. Per Government Code Section 65584.05, potential impacts on school districts is not an eligible basis for an appeal.

**BACKGROUND:****Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary of the RHNA allocation for South Pasadena is provided below.

**Total RHNA for the City of South Pasadena: 2,062 units**

Very Low Income: 755 units

Low Income: 397 units

Moderate Income: 333 units

Above Moderate Income: 577 units

Additional background information related to the draft RHNA allocation for the City of South Pasadena is included in Attachment 1.

**Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) in specific regard to the appeal filed by the City of South Pasadena. Three comments were received which relate to appeals filed generally:



- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

#### ANALYSIS:

**Issues 1 and 5: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and affirmatively furthering fair housing and changed circumstances [Government Code 65584.05(b)].**

*The City of South Pasadena argues that the regional allocation determined by HCD was miscalculated and should be revised.*

*The City requests a reduction to its RHNA allocation based on lands protected from urban development under existing Federal or State programs. The City cites that 38 percent of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated historic districts. The City argues that this substantial historic inventory significantly limits land availability and sites suitable for new housing development.*

*The City requests that SCAG reconsider assumptions for the HQTAs designations within South Pasadena and reduce the City's allocation based on HQTAs and job accessibility by 48 percent each. The City cites local data and conditions that do not support SCAG's reliance on HQTAs, nor the metric of a 0.5-mile radius. The City claims that 46 percent of the HQTAs coverage area assigned to South Pasadena conflicts with historic districts and protected open space, and four percent of the HQTAs area is without sidewalks and/or has grades in excess of five percent. The City requests a 48 percent reduction of its assigned "existing need due to HQTAs population share" and of its "existing need due to job access share" based on local input.*

*The City further emphasizes the need to consider local factors in determining HQTAs by citing data finding that 84 percent of South Pasadena residents drive a car to work while only five percent use public transportation. The City argues that this proves local data does not support the causal connection inherent in the allocation of more housing in HQTAs to facilitate the use of public*

*transportation by commuters. South Pasadena further argues that this factor is undermined both by the Governor’s Executive Order banning the sale of carbon-emission vehicles by 2035 (addressing concerns for commuting emissions underlining the emphasis placed on HQTAs) and the impact of the COVID-19 pandemic on the share of residents working from home.*

**SCAG Staff Response:** While the City provides arguments under the heading of “Information Furthering Fair Housing and Allocation Methodology Used by SCAG”, the arguments presented do not reflect this topic; rather, they relate more specifically to challenging HCD’s regional housing needs determination and the adopted Final RHNA Methodology in regard to several factors cited in their appeal.

### **HCD Regional Housing Needs Determination**

SCAG’s final regional determination of approximately 1.34 million units was issued by HCD on October 15, 2019 per state housing law. The regional determination is not a basis for appeal per adopted RHNA Appeals Procedures as it is not within the authority of the Appeals Board to make any changes to HCD’s regional housing needs assessment. Only an improper application of the RHNA methodology is eligible for appeal. An example of an improper application of the adopted methodology might be a data error identified by a local jurisdiction.

With respect to the statutory objectives, SCAG used objective measures to advance certain principles, but since local and regional conditions vary tremendously across the state and over time, there are few consistent quantitative standards which may be used to evaluate all aspects of the methodology. Ultimately, however, HCD is vested with the authority to decide whether statutory RHNA objectives have been met.

As described in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors by which housing unit need is to be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA methodology was found by HCD to further the five statutory objectives<sup>1</sup> largely due to its use of objective factors and, as such, SCAG may not consider factors differently from one jurisdiction to another.

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<sup>1</sup> The five RHNA objectives are: 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

SCAG's development of a consultation package to HCD regarding the regional housing needs determination took place during the first half of 2019. During this time SCAG extensively reviewed a wide range of reports which commented on housing needs in the state and region, including studies from USC, UCLA, UC-Berkeley, the California Legislative Analyst's Office, Beacon Economics, McKinsey, the Center for the Continuing Study of the California Economy, and others. These studies covered a wide range of approaches and methodologies for understanding housing need in the region and in the state. On March 27, 2019 SCAG convened a panel of fifteen experts in demographics, economics, and housing planning to assess and review the region's housing needs in the context of SCAG's regional determination.

Notwithstanding the merits of the various approaches toward estimating regional housing need, State statute outlines a very specific process for arriving at a regional housing needs determination for RHNA. It also prescribes a specific timeline which necessitates the completion of the regional determination by Fall 2019 in order to allow sufficient time for the development of a RHNA methodology, appeals process, and local housing element updates.

During both the consultation process and the filing of SCAG's formal objection to HCD's regional determination, SCAG extensively reviewed the issues brought up in these recent reports including a variety of indicators of housing backlog such as cost burden, overcrowding, demolition, and vacancy. In addition, SCAG has a well-developed program for forecasting population and household growth in the region which is conducted with the advice and collaboration of State Department of Finance (DOF) forecasting staff. SCAG assessed the relationship between the measures used and not used in its analyses in order to avoid overlap ("double counting").

While the RHNA statute prescribes specific requirements for HCD in determining the regional housing need (for example, the determination shall be based on population projects produced by DOF and regional population forecasts used in preparing regional transportation plans), it allows HCD to accept or reject information provided by SCAG with respect to the data assumptions from SCAG's growth forecast or to modify its own assumptions or methodology based on this information. Following SCAG's formal objection filed on September 18, 2019, HCD did not materially change the regional determination, and there are no further mechanisms provided by statute to contest their decision. Nevertheless, SCAG has a statutory obligation to complete the remaining steps required in the RHNA process, including the adoption of a final RHNA methodology, conducting an appeals process, and issuing final RHNA allocations.

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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 (Govt. Code § 65584(d)).

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### **SCAG's Final RHNA Methodology**

As discussed above, an appeal citing RHNA methodology as its basis must appeal the application of the adopted methodology, not the methodology itself. However, the City of South Pasadena presents a challenge to the development of the methodology as a basis for its appeal rather than a misapplication of the adopted Final RHNA Methodology.

The adopted Final RHNA Methodology includes a component that calculates housing need based on a jurisdiction's population located within 'High Quality Transit Areas' (HQTAs) in 2045, as defined by SCAG's 2020 RTP/SCS (Connect SoCal). For planning purposes, SCAG identifies an HQTA generally as a walkable transit village or corridor that is located within one-half mile of a major transit stop or 'High Quality Transit Corridor' (HQTC) as defined in Government Code 21155(b) and 21064.3, excluding freeway transit corridors with no bus stops on the freeway alignment. SCAG's technical methodology for identifying HQTCs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

Planned HQTCs and major transit stops are future improvements expected to be implemented by transit agencies by the Connect SoCal horizon year of 2045. These are assumed by definition to meet the statutory requirements of an HQTC or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCs with the adoption of a new RTP/SCS, once every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS and, as such, it is understood that planned transit projects are subject to further project-specific evaluation as part of the long-range transportation planning process.

While there is an inherent chance that transit agencies may change their future plans, ultimately SCAG's adopted final RHNA methodology uses the Connect SoCal definition of 2045 HQTAs to better align future housing with anticipated future transit. The attached map shows the 2045 HQTA boundaries for the City of South Pasadena which are featured in Connect SoCal. The presence of historic districts or protected open spaces does not invalidate the designation of HQTAs, nor do compromised sidewalks or five percent grades.

The City's contention that the methodology for determining HQTAs should result in a 48 percent reduction of the allocation based on the job accessibility factor is not valid. The adopted RHNA methodology includes a calculation of job accessibility in the determination of a jurisdiction's draft allocation. Job accessibility is defined as the jurisdiction's share of regional jobs that are accessible within a 30-minute commute time (details are provided in the adopted RHNA methodology). This is not a measure of the number of jobs located within a jurisdiction; rather, it is a measure of how many regional jobs may be accessed by residents of a jurisdiction, including jobs outside of the jurisdiction. Over 80 percent of SCAG region workers live and work in different jurisdictions, which requires an approach to assessment of the region's job-housing relationship through the measurement of access rather than number of jobs located within a particular jurisdiction. Limiting a jobs-housing balance assessment solely to within a jurisdiction's boundaries may effectively

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worsen a regional jobs-housing balance and for this reason, SCAG staff does not recommend a reduction to South Pasadena's RHNA allocation based on this factor.

Finally, SCAG staff respectfully disagrees with the City's assertion that the Governor's Executive Order banning the sale of carbon-emission vehicles by 2035, as well as the increased rate of residents working from home that may undermine the validity of the use of HQTAs as one of the primary factors for the allocation of housing need in South Pasadena. The adopted Final RHNA Methodology is not an eligible basis for appeal as it was determined by HCD to further the five statutory objectives. Prior to February 2020, the regional average for telecommuting was approximately seven percent. While there has been an increase in telecommuting due to the COVID-19 pandemic, this circumstance is not limited to only one jurisdiction. Moreover, there is no certainty as to how long this increase in telecommuting will continue. For these reasons, SCAG staff does not recommend a housing need reduction based on this issue.

**Issue 2: Sewer or water infrastructure constraints for additional development [Government Code Section 65584.04(e)(2)(A)].**

*The City contends that it lacks the water and sewage capacity to support the RHNA allocation.*

**SCAG Staff Response:** For Government Code Section 65584.04(e)(2)(A) to apply in this case, evidence must be provided that South Pasadena is precluded from providing the necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For both the sewer and water constraints indicated by the City, it is not evident that the respective sewer and water providers have rendered decisions that would prevent the City from providing the necessary infrastructure. For this reason, SCAG staff does not recommend a housing need reduction based on this factor.

**Issue 3 and 4: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)] and lands protected from urban development under existing federal or state programs [Section 65584.04(e)(2)(C)].**

*The City contends that SCAG failed to consider local planning factors related to the lack of available land suitable for urban development or conversion to residential use. The City indicates that it is a mature city with few parcels suitable for development or conversion to residential use. The City also cites a "Refill Map" published by SCAG in 2017 as being an insufficient tool for evaluating the City's RHNA need, due to the fact that many parcels identified in the map will not be available in the next eight years for redevelopment and some of the parcels overlap with historic preservation overlay zones. The City contests the concept of refill parcels as an insufficient tool for identifying housing development opportunities and should not be promoted as a viable strategy to meet the City's RHNA allocation. For these reasons, the City argues that it lacks available land suitable for residential development and a reduction of its RHNA allocation should be approved.*

*The City also asserts that the entire city of South Pasadena was listed as one of the National Trust for Historic Preservation's "11 most Endangered Places in America" and that 38 percent of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated and eligible historic districts, each of which are considered a historic resource for purposes of CEQA. Given that a quarter of the City is situated on a hillside, and with another half covered by historical properties and districts, the City has significantly reduced land available for redevelopment.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality" (which includes the land use policies in its General Plan). "Available land suitable for urban development or conversion to residential use", as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are to be considered a component of "available" land. In its December 10, 2020 comment letter (HCD Letter), HCD indicates:

"In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land." (HCD Letter, p. 2).

As such, the City should consider other land use opportunities for development. This includes increased residential densities or alternative zoning and density. Alternative development opportunities should be explored further to provide the land use capacity needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to determine RHNA need at the jurisdictional level. Per the adopted RHNA methodology, RHNA need at the jurisdictional level is determined by projected household growth, transit access, and job access. Housing need, both existing and projected need, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need may not be used to determine existing or projected housing need.

The 2017 SCAG Refill Map cited in the City's appeal has no bearing on the RHNA methodology and is an optional tool available to local jurisdictions as they undertake Housing Element updates. SCAG staff explained during the Bottom-Up Local Input and Envisioning process (see Attachment 1) that this map was intended to support local jurisdictions in identifying potential sites for the required Site Inventory Analysis, however the City is not required to use the data offered in this tool. As

previously noted, South Pasadena is not limited to infill development and vacant land to fulfill their RHNA allocation. The City does not demonstrate an inability to accommodate its assigned allocation through the alternative means provided by State law. Furthermore, it is presumed that lands protected from urban development under existing Federal or State programs have already been accounted for prior to the local input submitted to SCAG since such factors are required to be considered at the local level. No evidence was submitted that the status of these areas has changed since the most recent local input was provided in February 2018.

While the City has indicated that it is not able to accommodate new housing units in identified specific areas related to historic preservation and slopes, no evidence has been provided that the City is not able to accommodate its RHNA allocation in other areas. The presence of protected space alone does not reduce housing need, nor does it preclude a jurisdiction from accommodating its housing need elsewhere. For these reasons, SCAG staff does not recommend a reduction to the City of South Pasadena's RHNA allocation based on these factors.

***Issue 6: Changed Circumstances [Government Code 65584.05(b)].***

*The City contends that the COVID-19 pandemic constitutes a change in circumstance that will result in long-lasting changes to public transportation, daily commutes, and the structure of workplaces, all of which undermine the use of HQTAs as a primary factor in the allocation of housing units.*

**SCAG Staff Response:** See also Response to Issues 1 and 5 above with respect to challenging the adopted RHNA methodology, including the Governor's Executive Order banning the sale of carbon-emission vehicles by 2035 and the potential for "double counting".

SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been significantly impacted. However, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04." (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

"Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584."

SCAG's Regional Council delayed adoption of Connect SoCal by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19. However, the Connect SoCal long-range (2045) forecasts of population, employment, and household growth remained unchanged. The 'Demographics and Growth Forecast' Technical Report<sup>2</sup> outlines the process for forecasting long-range employment growth which involves

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<sup>2</sup> [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Demographics-And-Growth-Forecast.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Demographics-And-Growth-Forecast.pdf)

evaluating national growth trends and regional economic competitiveness. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes to the region's long-term economic competitiveness or employment outlook through 2045. As such, SCAG's assessment of comparable data does not indicate long-range regional economic impacts.

The COVID-19 pandemic has had various impacts throughout Southern California, however, to date it has not resulted in a slowdown in major construction nor has it resulted in a decrease in demand for housing or housing need. In fact, Southern California home prices have continued to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by RHNA reflects regional need over an eight-year planning period and is not unduly influenced by immediate near-term impacts. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal to suggest that housing need in South Pasadena has been disproportionately impacted in comparison to the rest of the SCAG region. The City did not provide data quantifying the impact of these factors over the next eight years, and SCAG is not aware of the existence of such data.

There is no procedure available in RHNA statute to revisit either HCD's regional determination or SCAG's adopted methodology and it is outside of the scope of the RHNA appeals process to address these processes. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

***Other: Potential Impact on Schools***

*In addition to the issues presented as the bases of its appeal, the City of South Pasadena also notes that its draft RHNA allocation may produce a negative impact on the City's public schools.*

Per Government Code Section 65584.05, potential impacts on school districts do not constitute an eligible basis for a RHNA appeal.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

**ATTACHMENT(S):**

1. Local Input and Development of Draft RHNA Allocation (City of South Pasadena)
2. RHNA Appeal Letter (City of South Pasadena)
3. Map of High Quality Transit Areas in the City of South Pasadena (2045)
4. Map of Job Accessibility in the City of South Pasadena (2045)



## **Attachment 1: Local Input and Development of Draft RHNA Allocation**

This attachment sets forth the nature and timing of the opportunities which the City of South Pasadena had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of South Pasadena's Draft RHNA Allocation.

### **1. Local input**

#### ***a. Bottom-Up Local Input and Envisioning Process***

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG staff met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of South Pasadena, the anticipated number of households in 2020 was 10,517 and in 2030 was 10,831 (growth of 314 households). In February 2018, SCAG staff met with City staff to discuss the Bottom-Up Local

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<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book: <https://scag.ca.gov/local-input-process-towns-cities-and-counties>

Input and Envisioning Process and to answer questions. Input from the City of South Pasadena on the growth forecast was received in June 2018. Following input, household totals remained the same.

**b. RHNA Methodology Surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions’ Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of South Pasadena submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**c. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG’s Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning Process, and also features strategies for growth at the TAZ-level to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to help achieve the SCAG region’s GHG reduction targets, as approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at: <https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>

As a result of these strategies, in some jurisdictions, growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council’s decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG’s Scenario Planning Model Data Management (SPM-DM) site at: <http://spmdm.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG

did not receive additional technical corrections from the City of South Pasadena which differed from the Growth Vision.

## 2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

*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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG*

dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

On March 5, 2020, following extensive debate and public comment, the SCAG Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG's 5<sup>th</sup> cycle RHNA methodology, which relies almost entirely on the household growth component of the RTP/SCS, SCAG's 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: 'projected need', which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period, and 'existing need', which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region's current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and 'High Quality Transit Area' (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction's total housing need which are primarily based on data from Connect SoCal's Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### 3. Draft RHNA Allocation for the City of South Pasadena

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of South Pasadena received its draft allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of South Pasadena as summarized in the data and calculations featured in the table below.

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<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and do not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1:

[https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

South Pasadena city statistics and inputs:		Calculation of Draft RHNA Allocation for South Pasadena city	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	259	Forecasted household (HH) growth, RHNA period:	259
Percent of households who are renting:	55%	Vacancy Adjustment <i>(5% for renter households and 1.5% for owner households)</i>	9
Housing unit loss from demolition (2009-18):	15	Replacement Need	15
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	756	<b>TOTAL PROJECTED NEED:</b>	<b>283</b>
Percent of regional jobs accessible in 30 mins (2045): <i>(For the jurisdiction's median TAZ)</i>	15.29%	Existing need due to job accessibility (50%)	639
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,536,000	Existing need due to HQTAs pop. share (50%)	986
Share of region's job accessibility (population weighted):	0.15%	Net residual factor for existing need <i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent this amount being redistributed to higher-resourced communities based on their job and/or transit access.)</i>	154
Jurisdiction's HQTAs population (2045):	24,098	<b>TOTAL EXISTING NEED</b>	<b>1779</b>
Share of region's HQTAs population (2045):	0.24%	<b>TOTAL RHNA FOR SOUTH PASADENA CITY</b>	<b>2062</b>
Share of population in low/very low-resource tracts:	0.00%	Very-low income (<50% of AMI)	755
Share of population in very high-resource tracts:	99.98%	Low income (50-80% of AMI)	397
Social equity adjustment:	180%	Moderate income (80-120% of AMI)	333
		Above moderate income (>120% of AMI)	577

The transit accessibility measure is based on the population projected to live within 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 24,098 living within HQTAs, the City of South Pasadena will represent 0.24 percent of the SCAG region's HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as a jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs that may be reached within a 30-minute automobile commute from a local jurisdiction's median TAZ is used as to allocate housing units based on job accessibility. From the City of South Pasadena's median TAZ, it will be possible to reach 15.29 percent of the region's jobs in 2045 within a 30-minute automobile commute (1,536,000 jobs), based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective 5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered 'Disadvantaged Communities' (DACs) based on access to opportunity measures (described in the RHNA methodology), but which also score highly for job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as 'residual need', is then reallocated to non-DAC jurisdictions to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above and resulted in an additional 154 units assigned to the City of South Pasadena.

Please note that the above represents only a partial description of the key data and calculations which result in the Draft RHNA Allocation.



## CITY OF SOUTH PASADENA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT  
1414 MISSION STREET, SOUTH PASADENA, CA 91030  
TEL: (626) 403-7210 • FAX: (626) 403-7211  
WWW.SOUTHPASADENACA.GOV

October 26, 2020

Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

### **Re: Regional Housing Needs Assessment Appeal of South Pasadena Allocation**

Dear Mr. Ajise and SCAG Regional Council,

The City of South Pasadena (City) submits this appeal of the housing allocation of 2,062 units received for the 6<sup>th</sup> Cycle of the Regional Housing Needs Assessment (RHNA). The City is committed to housing affordability, as evidenced by its progress toward meeting the 5<sup>th</sup> cycle RHNA goals, and by the broad range of housing policies and programs that are under consideration for the 6<sup>th</sup> cycle Housing Element and updates to its General Plan and zoning ordinances. The City is comprised of an economically and racially diverse community with 53% of its residents as renters and a significant number of long-standing and multigenerational families. With limited resources to serve its residents, including limited sewer and water capacity; and given the unique geographic area and predominance of historic resources (38% of the city) which limit the area suitable for development, the addition of 2,062 housing units over the next decade is arguably infeasible, and, at best, would put unprecedented strain on the City's capacity to thrive, including on its otherwise successful public school system. Because of these local factors, as further described below and in the attached RHNA Appeal Memorandum, and the City's efforts over the past several years to creatively address the housing crisis in California, the City respectfully requests that the Southern California Association of Governments (SCAG) reduce the City's RHNA allocation by 846 housing units for a maximum of 1,216 units.

SCAG has routinely and appropriately considered local factors in past cycles of allocating housing units. Applying South Pasadena's local factors, as outlined above and more fully described in the attached document, to the SCAG 6<sup>th</sup> cycle methodology, South Pasadena should be allocated a maximum of 1,216 housing units. That said, the City does not believe its public school system can accommodate even half of those new units over the next eight years. Prior to receiving its 6<sup>th</sup> cycle RHNA allocation, the City's draft General Plan update projected 589 units over the next twenty years.

In January, the City put its General Plan Update on hold in order to integrate the 6<sup>th</sup> cycle Housing Element and RHNA allocation. The City's Housing Element update is now well

underway, and through an extended preliminary sites analysis, the City understands the great difficulty of accommodating its RHNA. Importantly, the City believes that even 1,216 housing units will be difficult to manage or attain. However, the City’s proposed maximum RHNA of 1,216 reflects the City’s recognition of the impossible and unsustainable number of total housing units allocated to the Southern California region and the City’s attempt to shoulder its share.

The City hereby appeals SCAG’s decision to allocate 2,062 housing units to the City of South Pasadena based on the following SCAG appealable criteria:

- Methodology
  - The methodology used to determine South Pasadena’s housing allocation in accordance with the approved methodology relies heavily on the inaccurate percentage of High Quality Transit Areas within the City and does not further, and rather undermines the five objectives set forth in California Government Code Section 65584(d).
- Local Planning Factors and Information Affirmatively Furthering Fair Housing
  - South Pasadena’s lack of available land suitable for urban development or for conversion to residential use, the lack of availability of underutilized land and the lack of opportunities for infill development
  - South Pasadena’s abundance of historic properties eligible for CEQA protection, and thus protected from urban development under existing federal or state programs
  - The impact on South Pasadena’s public school system which is at capacity
  - South Pasadena’s lack of capacity for sewer and water service due to supply and distribution by third parties and infrastructure constraints for additional development
- Changed Circumstances
  - A significant and unforeseen change in circumstances has occurred in South Pasadena, which merits revision and consideration.

Furthermore, as the City previously stated in its February 27, 2020 letter to SCAG, the regional allocation of 1.34 million housing units to the SCAG region is untenable. The City requests that SCAG continue to appeal its regional allocation to the State of California in order to develop a more reasonable and achievable housing goal in the Southern California region. Forcing local jurisdictions to accommodate these unrealistic housing goals will simply set the region up for failure, result in serious adverse consequences for local jurisdictions and will not adequately address the housing crisis declared by Governor Newsom. The City looks forward to working with SCAG to develop a pragmatic approach toward the current housing crisis. In fact, as noted above, the City of South Pasadena has been proactively addressing the housing shortage through amendments to its General Plan, pursuing changes in zoning and ADU ordinances and adoption of an Inclusionary Housing Policy. South Pasadena is making progress to meet its goal of 63 housing units in the 5<sup>th</sup> RHNA cycle for all income levels, and to date, has approved over 200 housing units in the current cycle.

On a final note, the City’s appeal has been prepared in collaboration with a representative group of informed citizens interested in preserving the City’s quality of life while accommodating anticipated growth. The City’s “RHNA Appeal Ad Hoc Committee” was established by the



South Pasadena City Council to work alongside staff to research and develop comprehensive and locally informed bases for this appeal. Members include:

- Janet L. Braun - Corporate Attorney and Chair, South Pasadena Planning Commission
- Mark Gallatin, AICP - Urban Planner (retired), South Pasadena Cultural Heritage Commission
- Patrick Kirchen - Wholesale Wine Distributor
- John Lesak, AIA - Architect and Vice-Chair, South Pasadena Planning Commission
- Zhen Tao - Investment Management, CFA, South Pasadena Finance Commission

The committee members bring significant professional experience in such areas as housing element development, urban planning and design, historic preservation, research and data analysis, financial and legal analysis, entrepreneurship and a familiarity with the City's planning processes and cultural and institutional resources.

Thank you for your consideration. If you have any questions or comments please contact Margaret Lin, Manager of Long Range Planning and Economic Development, at [mclin@southpasadenaca.gov](mailto:mclin@southpasadenaca.gov).

Sincerely,

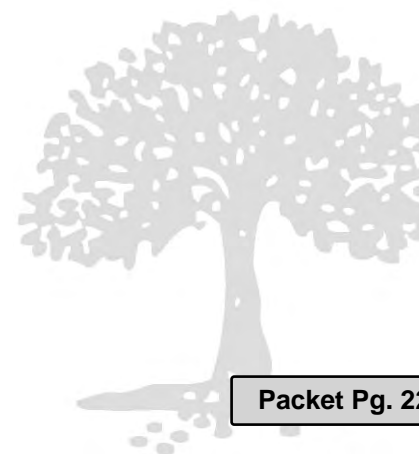


Joanna Hankamer  
Director of Planning and Community Development

Attachments:

1. RHNA Appeal Form
2. RHNA Appeal Memorandum
3. Local Planning Factor Survey

cc: South Pasadena City Council  
South Pasadena RHNA Appeal Ad Hoc Committee Members



# ATTACHMENT 1

## RHNA Appeal Form

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG June 15, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

Date: \_\_\_\_\_ Jurisdiction Subject to This Appeal Filing:  
 \_\_\_\_\_  
*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD)  
 \_\_\_\_\_

Filing Party Contact Name \_\_\_\_\_ Filing Party Email: \_\_\_\_\_

**APPEAL AUTHORIZED BY:**

Name: \_\_\_\_\_

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region's greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG June 15, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

**Brief Description of Appeal Request and Desired Outcome:**

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced \_\_\_\_\_ Added \_\_\_\_\_

**List of Supporting Documentation, by Title and Number of Pages**

**(Numbers may be continued to accommodate additional supporting documentation):**

- 1.
- 2.
- 3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_

**ATTACHMENT 2**  
**RHNA Appeal Memorandum**



**CITY OF SOUTH PASADENA**  
**REGIONAL HOUSING NEEDS ASSESSMENT**  
**APPEAL MEMORANDUM**

Date: October 26, 2020

To: Southern California Association of Governments

From: The RHNA Appeal Ad Hoc Committee of the City of South Pasadena, California

Re: Appeal of the Draft Allocation to South Pasadena of 2,062 Housing Units for the 6<sup>th</sup> Regional Housing Needs Assessment Cycle

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On September 3, 2020, the Southern California Association of Governments (“SCAG”) approved the draft allocation of new housing units to cities and other jurisdictions as part of the 6<sup>th</sup> Regional Housing Needs Assessment (“RHNA”) Cycle. As a result, SCAG allocated 2,062 new housing units to the City of South Pasadena (“South Pasadena or the “City”) for the 6<sup>th</sup> RHNA cycle (housing units to be planned for approvals/permits from 2021-2029). In the 5<sup>th</sup> RHNA cycle, South Pasadena was allocated 63 new housing units. The allocation to South Pasadena for the upcoming RHNA cycle is a **3,373% increase** in housing units from the prior allocation.

South Pasadena simply cannot accommodate 2,062 housing units within the next eight years without creating extraordinary strain and potential failures on the City’s infrastructure, including sewer and water systems, public schools and historic, protected districts. Moreover, adding 2,062 housing units to the City would result in extreme financial challenges, potentially creating financial instability for the City. While the City is willing to work with SCAG and the State to address the state housing crisis (evidenced by achieving 240% of its current RHNA allocation), the realities of the local limitations and constrained development opportunities must be considered for purposes of the housing allocation. This memo highlights key regional and local factors that should be considered by SCAG in reevaluating the feasibility of the City’s RHNA. In addition, the City and Committee offer support and willingness to partner with SCAG to challenge the state’s total housing allocation to the Southern California region, as that allocation is significantly flawed.

**We believe the state’s original goal of 3.5 million housing units was miscalculated and should be appealed. As a small historic city, SCAG should reconsider the City’s allocation of 2,062 units due to 1) the lack of water capacity; 2) the limits to our City’s aging sewer system; 3) that much of HQTAs designated areas are in-fact recognized historic districts; 4) the appropriateness of HQTAs as an allocation methodology; 5) the City’s limited refill/infill land availability; and 6) the undoubtedly higher student population growth that South Pasadena schools has and will experience, which the district cannot accommodate.**

Applying South Pasadena’s local factors, as outlined above, and more fully described below, South Pasadena should be allocated a **maximum of 1,216 housing units for the 6<sup>th</sup> RHNA cycle**. That said, the **City does not believe its public-school system can accommodate even half of these new units over the next eight years as even a 323 (3%) unit growth has added 959 (24.6%) student enrollment over the last 20 years.**

## I. State of California Overstatement of Units for Allocation

### Overstatement of Housing Units for Allocation by the State

The City of South Pasadena challenges the State of California’s total housing unit allocation to the SCAG region. The September 2020 issue of The Planning Report includes an article, “CA’s Housing Needs Assessment Used Incorrect Data & Masks California’s Failure to Build Affordable Housing”, which cites an analysis by the Embarcadero Institute demonstrating how the 6th cycle Regional Housing Needs Assessment (RHNA) in California has been miscalculated, by **double**. The article states, “**use of an incorrect vacancy rate and double counting, inspired by SB-828, caused the state’s Department of Housing and Community Development (HCD) to exaggerate by more than 900,000 the units needed in SoCal, the Bay Area and the Sacramento area.**”<sup>1</sup> The article suggests that calculation errors stemmed from three incorrect assumptions by the authors of Senate Bill 828 (Wiener) and the state Department of Housing and Community Development (HCD):

1. that the state Department of Finance did not account for existing housing need in the 5th cycle (the state Department of Finance did, but the data was presented differently in order to appropriately account for the impact of the foreclosure crisis of 2007-2010);
2. that a 5% vacancy rate is not healthy for owner-occupied housing (which is true for rental housing only; a historically healthy owner-occupancy vacancy rate is around 1.5%); and
3. that the state Department of Finance did not account for overcrowding and cost-burdening (the state Department of Finance did account for both, and for optimal impact).

The article concludes that the overestimated RHNA obscures the larger obstacles to affordable housing in California, namely the lack of funding for affordable housing production; and that, “the state’s approach to determining housing need must be defensible and reproducible if cities are to be held accountable for them”.<sup>2</sup> The South Pasadena RHNA Appeal Ad Hoc Committee further posits that grossly overestimating the housing need (by double) pits local jurisdictions against one another and alienates local planning departments from the community members they represent, eroding trust in the planning process, and jeopardizing local plans and programs to provide more affordable housing. Rather than focusing planning efforts toward accommodating an infeasible amount of new housing, and compromising local and regional relationships along the way, the focus should be on identifying state funding sources for affordable housing; creating policies to better balance the market to affordable rate housing production; and supporting such inter-jurisdictional collaborations as the San Gabriel Valley Regional Housing Trust, of which South Pasadena is a member.

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<sup>1</sup> The Housing Report, California’s Housing Needs Assessment Used Incorrect Data and Masks California’s Failure to Build Affordable Housing, September 2020

<sup>2</sup> Id.

## II. Information Furthering Fair Housing and Allocation Methodology Used by SCAG

### Objectives for RHNA Allocations Established by California Government Code

California Government Code Section 65584 sets forth the legislative basis and foundational goals of the housing allocations among jurisdictions within California. Section 65584(d) provides the objectives that must be furthered by an allocation plan by local government groups such as SCAG. These objectives include: “affirmatively furthering fair housing.”<sup>3</sup> The Code defines “affirmatively furthering fair housing” 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.”<sup>4</sup> As provided in the Government Code, South Pasadena continues to embrace the goal of furthering fair housing within its borders, as evidenced by its vibrant diversity and commitment to community.

Founded in 1888 at the juncture of the San Fernando and San Gabriel Valleys, South Pasadena is one of the oldest cities in the Los Angeles area with numerous historic districts and a varied topography, both of which increase development costs and present challenges to new housing opportunities. South Pasadena is a diverse community both racially and socio-economically which contributes to the rich character of the community and meets one of the critical goals of California Government Code Section 65584, the law underlying the RHNA allocation.

South Pasadena is a 3.44 square mile city with a total population of 25,824 residents.<sup>5</sup> The City boasts a diverse population with a race/ethnicity breakdown of 55% White, 30% Asian, 19.5% Hispanic/Latino, and 3% Black; the median age in South Pasadena is 40.1 years and 25.8% of the population is less than 20 years old.<sup>6</sup> Given the City’s 132 year history of building and development, the population has remained stable, with a 0.8% increase over the last 8 years.

Despite its small geographic size, South Pasadena offers 10,893 housing units, with a housing density of 3,199 housing units per square mile, which is the 3<sup>rd</sup> highest of all cities in the City’s comparative region and significantly higher than the overall California housing density of 91 housing units per square mile.<sup>7</sup> Over half of all housing units in South Pasadena, 53%, are rental units, with a median monthly rental of \$1,661 (compared to the California median of \$1,429).<sup>8</sup> South Pasadena’s topography includes both “flat lands” and many hillside areas with substandard narrow and steep streets, which create multi-unit development and emergency service challenges. In addition, over 38% of all properties in South Pasadena have been designated as historic, thus limiting the amount of reasonable development potential on such sites.

Residents of South Pasadena value education. An impressive 96% of adults in the City have at least a high school education, the second-highest in the comparative region, and 65% have

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<sup>3</sup> California Government Code Section 65584(d)(5).

<sup>4</sup> Id., Section 65584(e)

<sup>5</sup> American Community Census Data 2019, <https://www.towncharts.com/California/Demographics/South-Pasadena-city-CA-Demographics-data.html>

<sup>6</sup> Id.

<sup>7</sup> American Community Census Data 2019, <https://www.towncharts.com/California/Housing/South-Pasadena-city-CA-Housing-data.html>

<sup>8</sup> Id.



a college bachelor's degree or higher.<sup>9</sup> According to Niche, a data-driven organization that uses real data and outcomes to evaluate schools and colleges nationwide, the South Pasadena Unified School District ("SPUSD") is ranked 141 of 10,760 (top 1.3%) districts in the United States, 14 of 440 in California (top 3.2%) and 6 of 99 (top 6%) in the Los Angeles area.<sup>10</sup> Moreover, South Pasadena is rated 3<sup>rd</sup> of 144 (top 2%) for best teachers in the Los Angeles area.<sup>11</sup> South Pasadena's schools remain outstanding and some of the best in the area despite having a below average revenue per student of \$9,775, which is below the state average of \$10,657.<sup>12</sup> SPUSD student population scores a 61 (diverse) on the Ethnic Diversity Index.<sup>13</sup> South Pasadena High School and Middle School are even more diverse than the City, with a student makeup of 40% Asian, 31% White, 23% Hispanic, 3% Black and 3% of 2 or more races.<sup>14</sup> A total of 91% of school-age residents of South Pasadena attend the elementary, middle and high schools that comprise the SPUSD.<sup>15</sup>

Most households in the City are comprised of two or more earners and only 28% of households have a single-earner (the lowest number of single-earner households in the comparative region).<sup>16</sup> Only 10% of households have no one working, the second lowest in the City's comparative region. Among racial groups in the City, the median income of Black residents is the highest, Asian residents the 2<sup>nd</sup> highest, White residents the 3<sup>rd</sup> highest and Hispanic residents the 4<sup>th</sup> highest.<sup>17</sup>

South Pasadena's commitment to affirmatively furthering fair housing is not only evident by its demographics but also by many of its recent actions, including the development of an Inclusionary Housing Ordinance, amendment of its Accessory Dwelling Unit (ADU) ordinance to relax certain limitations on ADUs, and the update of a General Plan and Downtown Specific Plan to allow more building density.

To successfully address the State's housing crisis, local factors for implementation must have a greater role in the policy making process. Failure to take local factors into consideration will result in a good idea that goes unimplemented, or implemented with unforeseen consequences that cause a breakdown in one or more components of the City's critical infrastructure, such as the

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<sup>9</sup>American Community Census Data 2019, <https://www.towncharts.com/California/Education/South-Pasadena-city-CA-Education-data.html>

<sup>10</sup> Niche.com website, <https://www.niche.com/k12/d/south-pasadena-unified-school-district-ca/rankings/>

<sup>11</sup> *Id.*

<sup>12</sup> Public School Review website, <https://www.publicschoolreview.com/california/south-pasadena-unified-school-district/637500-school-district>

<sup>13</sup> The Ethnic Diversity Index is intended to measure how much "diversity" or "variety" a school or district has among the ethnic groups in its student population. More specifically, the Index reflects how evenly distributed these students are among the race/ethnicity categories reported to the California Department of Education. The more evenly distributed the student body, the higher the number. For example, a school that had exactly 1/8th of its students in each of the eight categories\* would have an Ethnic Diversity Index of 100, and a school where all of the students are the same ethnicity would have an index of 0. In reality, of course, no school has an index of 100 (although a few have diversity indices of 0). Currently the highest index for a school is 76. <http://www.ed-data.org/district/Los-Angeles/South-Pasadena-Unified>

<sup>14</sup> American Community Census Data 2019, <https://www.towncharts.com/California/Education/South-Pasadena-city-CA-Education-data.html>

<sup>15</sup> *Id.*

<sup>16</sup> American Community Census Data 2019, <https://www.towncharts.com/California/Economy/South-Pasadena-city-CA-Economy-data.html>

<sup>17</sup> *Id.*

public-school system. South Pasadena is interested in working with SCAG to develop achievable affordable housing goals with practical implementation steps. The following is a detailed analysis of the specific factors for this appeal in accordance with Government Code section 65584.05.

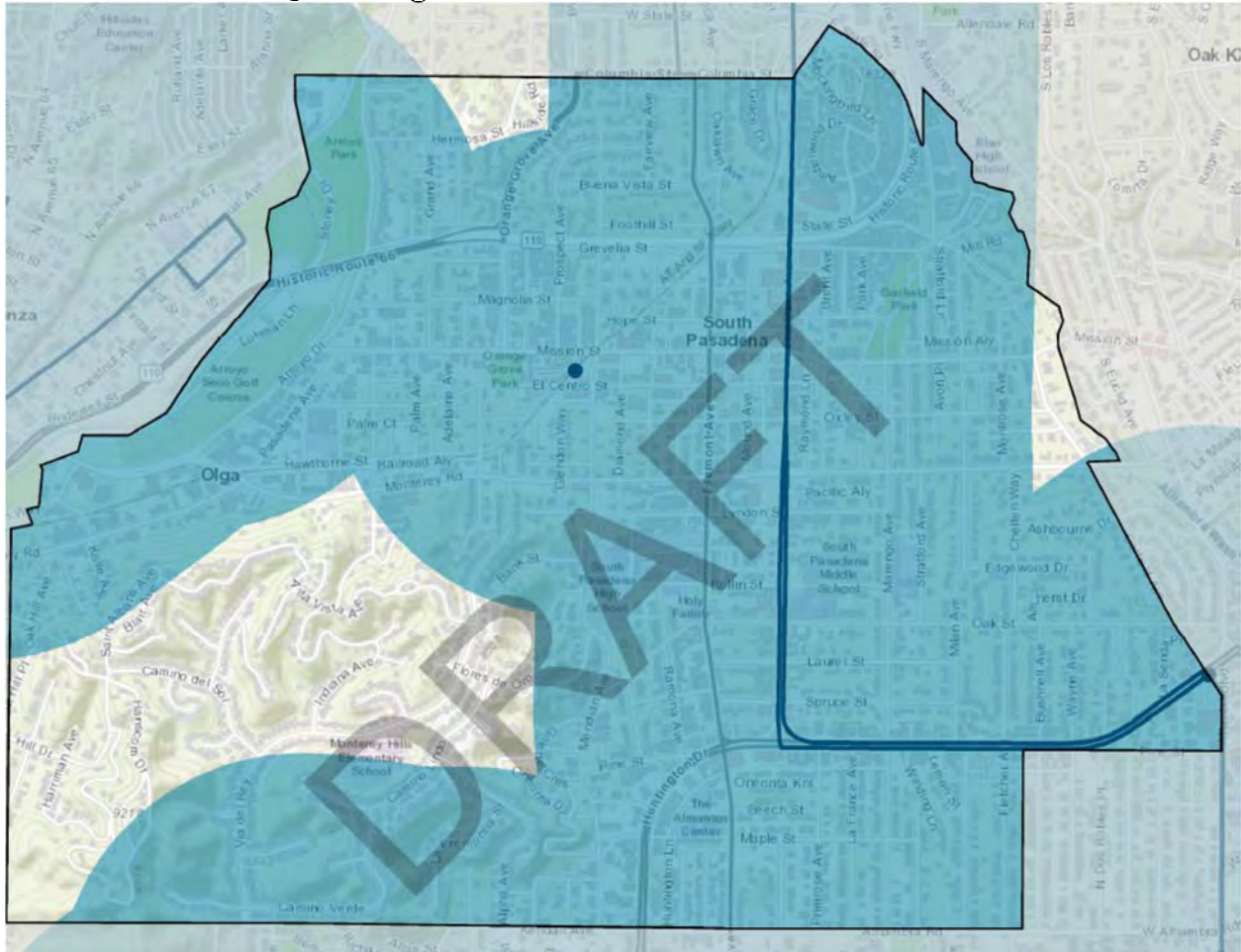
Household Growth Assumed for Regional Transportation Plan: HQTA Designation

- The intent of the HQTA designation was to map out areas that are walkable to public transit, with an assumption that if more housing units could be built within a 0.5-mile radius of an HQTA, traffic, vehicle emissions and congestion would be reduced.
- Local data and conditions do not support SCAG’s predominant reliance on QTAs, nor the generic designation metric of a 0.5-mile radius.
- 46% of the HQTA coverage area assigned to South Pasadena conflicts with historic districts and protected open space.
- 4% of the HQTA area is without sidewalks and/or has grades in excess of 5% in the hillside making it not conducive to walking.
- The City’s HQTA area coverage should be reduced to 48% of the assigned coverage.

As part of the RHNA allocation process, SCAG examined transit stop locations to identify areas within 0.5 miles that could be designated “High Quality Transit Areas (HQTA)” and allocated more housing units in those areas. The intent of the HQTA designation was to map out areas that are walkable to public transit, with an assumption that if more housing units could be built within a 0.5-mile radius of an HQTA, more people would use public transportation, and vehicle emissions and congestion would be reduced by the use of public transportation. Unfortunately, the 0.5 mile metric used for HQTA designations and resultant housing allocation are insufficient because they do not consider local factors impacting development within such 0.5-mile radius. In South Pasadena, the areas designated as HQTA by SCAG include considerable numbers of properties that include unwalkable hillside terrain and a predominance of historic districts in which development is limited. These factors challenge the use of a simple generic metric of a 0.5-mile radius for intensification of land use. Thus, South Pasadena challenges the application of this metric and methodology for allocating housing units in the City.

Further, while 89% of the residents are within QTAs areas per SCAG and public transit consideration was a key driver to the large housing allocation, additional data shows that only 5% of South Pasadenan residents who commute to work use public transit. This challenges the underlying assumption that the generic HQTA designation is applicable in in meaningfully predicting increases in public transit use or reductions in emissions in South Pasadena, likely due to local factors.

**Exhibit A: SCAG HQTAs Designated Areas**



Source: SCAG

The HQTAs identified by SCAG in South Pasadena (area that is within a 0.5 mile radius of public transit) are indicated on *Exhibit A: SCAG HQTAs Designated Areas*. While a 0.5 mile radius is the typical walkshed metric for a HQTAs designation, the application of this general metric to South Pasadena fails to consider the unwalkable hillside terrain within the area that is 0.5 miles of transit stop, the large percentage of historic properties and districts in such HQTAs designated area where neighborhood intensification is constrained and the existence of designated open space and school property with such HQTAs designated area. *Exhibit B: South Pasadena HQTAs, Topographic, and Historic Overlay* illustrates the relationship between topography/walkability, historical districts and open space, school facilities, and SCAG’s HQTAs Map. The overlay shows that:

- 4% of the HQTAs is not “actually” walkable or transit accessible;
- 6% of the HQTAs is occupied by protected open space and school facilities; and
- 42% of HQTAs area includes either a historic resource, an eligible historic resource, or is within a historic or potentially historic district where character of development matters and where increasing density is difficult.

Therefore, HQTAs in South Pasadena should effectively be reduced from 89% to 48% of the City based on local input.<sup>18</sup> **Furthermore, because the HQTAs directly relates to two categories**

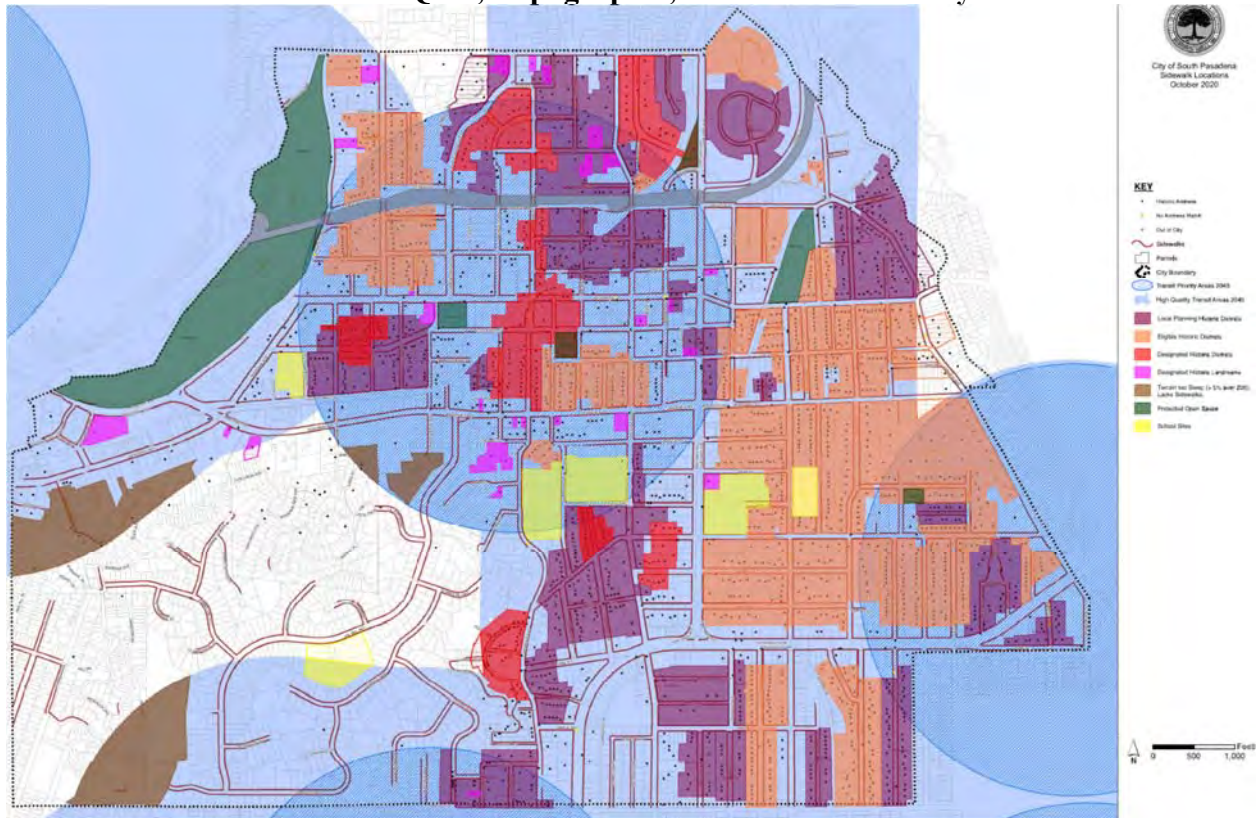
<sup>18</sup> See Exhibit B, *South Pasadena HQTAs, Topographic, and Historic Overlay*.

within SCAG’s RHNA calculation methodology, “existing need due to HQTAs population share” and “existing need due to job access”, both should be reduced by 52%, leading to a coverage of 48% rather than 89%, reducing the City’s RHNA by 846 units for a proposed maximum RHNA allocation of 1,216.

**Local Planning Factors Affecting HQTAs**

Description	Area (Acres)	Percentage of HQTAs
High Quality Transit Area	1,827	100%
Areas within HQTAs		
Total (CEQA) Eligible Historic Districts	372	50%
Total Designated Historic Districts	78	4%
Total Local Planning Historic Districts	287	16%
Total Arroyo Seco Historic Parkway	25	1%
Total Protected Open Space	88	5%
Total without Sidewalks and/or Grades in Excess of 5%	69	4%
Total School Sites	41	2%
Total	959	52%

**Exhibit B: South Pasadena HQTAs, Topographic, and Historic Overlay**



The need for considering local factors in determining HQTAs is reinforced by local trends. As demonstrated by the American Community Survey data in 2019, despite SCAG’s designation of several HQTAs in South Pasadena, 84% of residents in South Pasadena drive a car to work with an average commute time of over 31 minutes (longer than nearby cities) while

Attachment: RHNA Appeal Letter (City of South Pasadena) (Appeal of the Draft RHNA Allocation for the City of South Pasadena)

**only 5% of residents use public transportation. Thus, the causal connection that SCAG is proposing between the allocation of more housing units in HQTAs to facilitate the use of public transportation by commuters to their jobs is just not supported by local data.** Long car commutes are often the impetus for the behavior changes that increase transit ridership, but this is not proved in this case. That said, the City’s draft General Plan, Downtown Specific Plan, and Housing Element focus additional housing opportunities along Mission Street near the Gold Line station and along Fair Oaks Avenue well-served by Metro bus routes to continue to encourage the use of public transportation.

Further, the City believes that HQTAs were used as a major factor for RHNA allocations due to the concerns for commuting emissions. However, **recently Governor Newsom signed an executive order banning the sale of carbon-emission vehicles by 2035; that goal, together with the rapid adoption of electric vehicles in California, combined with the data that only 5% of South Pasadena residents use public transportation for their commutes and the expected result of the recent COVID-19 pandemic that more people will work from home, the use of HQTAs as a predominant factor to allocate housing units in South Pasadena should be reconsidered.**

For the above reasons, and as expanded on below regarding land suitable for urban development, the City respectfully requests that SCAG reconsider its assumptions for the HQTAs designations within South Pasadena and reevaluate the City’s RHNA allocations based on HQTAs and job accessibility.

### **III. Local Planning Factors Must be Considered for the RHNA Allocation**

Local planning factors must be taken into consideration while developing the RHNA allocation to ensure achievable goals are established and meaningful actions can be taken. There simply is not enough available developable property in South Pasadena to accommodate 2,062 new housing units within eight years. Forcing the City to accommodate an unreasonable amount of housing units will not lead to the successful development of more housing, but result in unsustainable development with unmitigated impacts on local infrastructure. South Pasadena is interested in working with SCAG to develop achievable affordable housing goals with practical implementation steps, but it cannot absorb 2,062 new housing units in the next 8-year RHNA cycle.

#### Lack of Available Land Suitable for Urban Development/Conversion to Residential Use

- South Pasadena is one of the oldest cities in the Los Angeles and as such, there is very little land suitable for development or conversion into residential property.
- Using a simple value-to-land ratio of 1.0 for commercial and multi and less than 0.5 for single-family residential properties distorts the true refill potential in an older district where low historic property values were used.
- About a quarter of the City is on hillside with another half of the City covered by historical properties and districts, significantly reducing the amount land available for redevelopment.

Government Code Section 65583.2 requires that as part of any housing allocation to a city, such city’s inventory of land suitable for residential development must be identified and analyzed. “Land suitable for development” is described in detail in Government Code Section 65583.2(b) but includes “residentially zoned sites that are capable of being developed at a higher density” and

“sites zoned for nonresidential use that can be redeveloped for residential use.” In creating the inventory of any such sites, the city is required to consider environmental constraints to the development of housing and the water, sewer and other dry utilities supply, including the availability and access to distribution facilities. Section 65583.2(c) requires, as part of any Housing Element, that local governments must demonstrate that the projected residential development capacity of identified sites can realistically be achieved.

**As South Pasadena is one of the oldest and most mature cities in the Los Angeles area, it includes very few parcels of land suitable for development or conversion into residential properties.** Despite the dearth of properties available for housing development, South Pasadena is actively and creatively pursuing available alternatives and sites for additional housing, including affordable housing. Notably, given the State’s decision not to extend the 710 freeway, over 100 properties in South Pasadena, some of which are historic, owned by Caltrans will soon become available as potential affordable housing units. The South Pasadena Preservation Foundation, Caltrans, tenant groups and state legislators are currently working together on a plan to return these properties to private ownership and keep many of them affordable as required by the Roberti Act. In addition, South Pasadena is working on an Inclusionary Housing Ordinance that will require a minimum number of new housing units in the City to be affordable to low and very low-income residents. Moreover, South Pasadena’s efforts toward the addition of housing units when feasible is evidenced by the City’s approval (to date) of 214 housing units, including 17 low income units, during the current 5<sup>th</sup> RHNA cycle, far exceeding the City’s RHNA allocation of 63 new housing units (an achievement by the City of 240% to date of its allocated number in the 5<sup>th</sup> RHNA cycle).

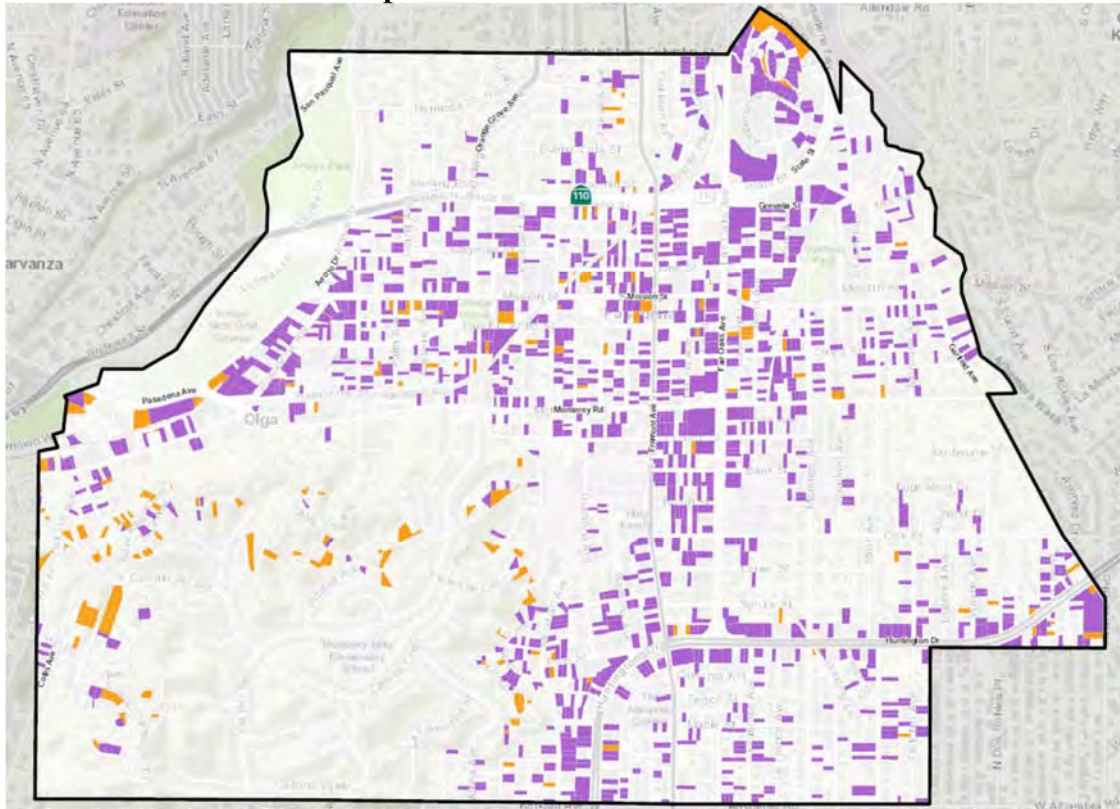
In 2017, SCAG developed a map of potential infill development parcels within its jurisdiction, including South Pasadena<sup>19</sup>. That map, attached hereto as Exhibit C (the “Refill Map”), identifies two types of properties: vacant parcels and numerous developed parcels throughout the City labeled as redevelopable or refill parcels. SCAG staff has explained that these refill parcels were identified as a potential tool for the City to rely on in meeting its RHNA requirement. The premise behind these residential refill parcels is faulty and demonstrates an unrealistic understanding of the development opportunities available within the City. Many of the residential “refill” parcels identified in the Refill Map for South Pasadena will simply, for one reason or another, not be available in the next eight years for redevelopment.

Refill parcels are privately owned, developed properties, which have an improvement-value-to land value ratio of less than 1.0 for commercial and multi-housing residential properties, and less than 0.5 for single-family residential properties. For example, an early 20th century home under 1,000 square feet on a reasonably sized lot is an example of a single-family residential refill parcel. The property is considered economically underutilized for the dollar value of the home (and its improvements) versus the dollar value of the raw land. A similar example is a modest one-story 1930s apartment complex.

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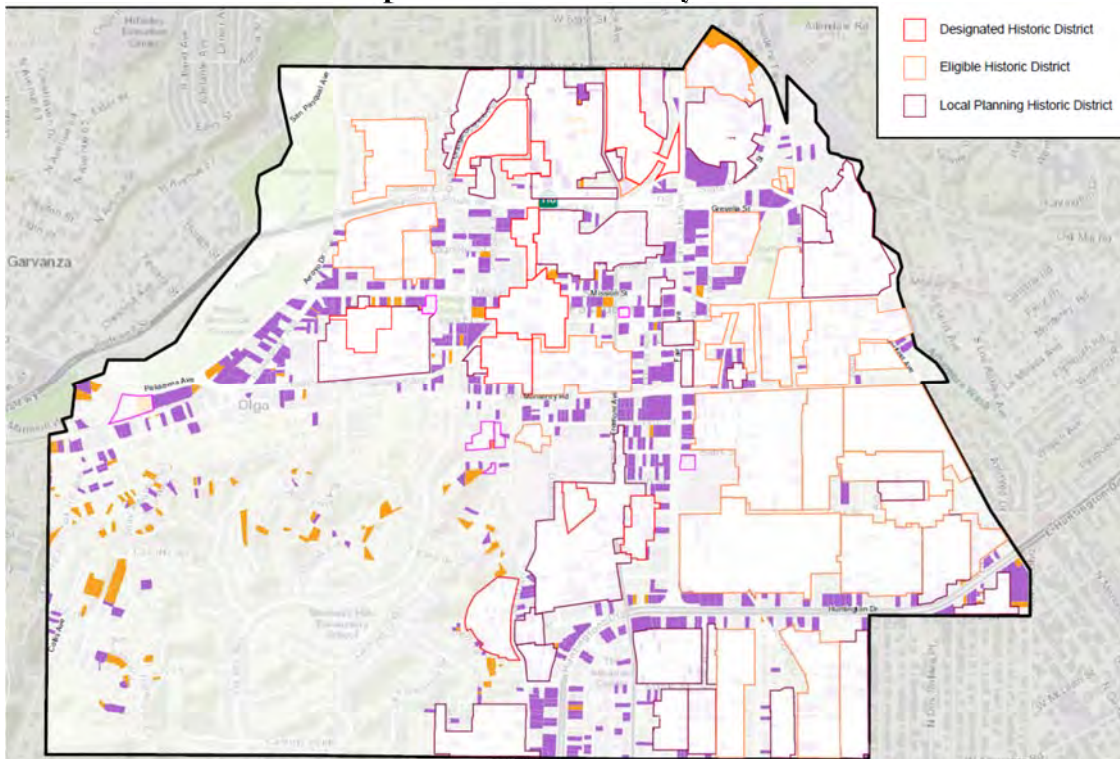
<sup>19</sup> See Exhibit C, SCAG [Refill Map](#)

**Exhibit C: SCAG Refill Map**



Source: SCAG

**Exhibit D: SCAG Refill Map and Historic Overlay**



SCAG has noted weaknesses of refill parcels as a tool for meeting RHNA numbers due to many factors, including inaccuracies in county assessor data (e.g., land and structure assessments on properties last sold prior to 1990 and existing structures renovated but not reassessed), assumptions by SCAG modelers that parcels economically underutilized and therefore available as potential refills may in fact not be physically deteriorated or economically under-valued, and the inherent uncertainty of whether the identified potential refill sites would be made available by the current owners for sale or development.<sup>20</sup> The Institute of Urban and Regional Development, the entity that conducted the statewide residential infill survey, also observed the following negative planning issues with infills, including refill parcels, to relieve the housing shortage:

“Done without good planning — that is, when not linked to appropriate infrastructure development and public service improvements — additional infill development becomes a formula for increased local traffic congestion, over-crowded schools and parks, and buildings that disrespect the history and character of existing neighborhoods. Done too quickly and without adequate safeguards, additional infill becomes a formula for gentrification, as existing residents are displaced to make way for new homes they can afford to neither buy nor rent. Done without reference to a viable financial model and the needs of private developers to earn reasonable rates of return, infill becomes simply a pipedream.”<sup>21</sup>

The refill methodology to determine land suitable for development is overly reliant on a simplistic ratio (improvements to land monetary values) to indicate that a single-family home or a multi-family residential property is a potential refill parcel. The ratio cannot account for a variety of factors, including the role that residents themselves play in housing, such as their desire to remain in place for as long as they wish. While SCAG did include some limiting factors in its RHNA allocation, the monetary values employed to create these ratios are taken from the Los Angeles County Assessor’s database which is often inaccurate, as publicly cautioned by the Assessor’s Office. In fact several parcel identified as “refill parcels” in South Pasadena for purposes of the meeting the City’s RHNA will not, or should not, become available for development in the next 8-year RHNA cycle. This is true for many reasons, including the following:

1. The values from the Los Angeles County Assessor’s Property Assessment Information System are inaccurate, and noted as such by the County Assessor.
2. Utilizing the values from the Los Angeles County Assessor’s database and other public information databases to create an improvement-value-to land value ratio is flawed for establishing the property’s economically underutilized potential as a refill parcel.
3. The assumption that “bundled” parcels, if purchased together and joined legally, would make them more desirable (i.e., with a larger lot size) to developers fails to take the time and cost of negotiation into consideration. In addition, developers have tended to

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<sup>20</sup> SCAG. 2017. Data/Map Book for the City of South Pasadena. From the 2020 Regional Transportation Plan/Sustainable Communities Strategy--Local Input & Envisioning Process, p. 17 (pdf version)

<sup>21</sup> Landis, J. Hood, H., and C. Amado. 2006. The Future of Infill Housing in California: Opportunities, Potential, Constraints, and Demand Infill. In: Frameworks -- A Publication of The College of Environmental Design at the University of California at Berkeley, Spring 2006: <https://frameworks.ced.berkeley.edu/2006/the-future-of-infill-housing-in-california/>



- view these bundled parcels as “...low density, low volume infill production, which many agreed was relatively costly and inefficient from a management perspective<sup>22</sup>”.
4. Construction activities off narrow streets, oversized and densely packed homes, and extremely steep slopes, make parcels identified as “refill parcels” in Exhibit C too expensive and unlikely to ever become affordable housing.
  5. Most residents, both homeowners and tenants, stay in South Pasadena for a long period of time, a trend which is likely to continue, and well beyond SCAG’s 6<sup>th</sup> Planning Cycle.<sup>23</sup> For young families that move into the City for the schools, they are determined to remain for the duration of their children’s education, at least 13 years. Other families with children old enough to attend the middle and high schools tend to stay in housing units for most of a full RHNA cycle if not longer. Older residents remain generally because of their attachment to the community. If possible, most elderly residents tend to age out in their homes.<sup>24</sup>
  6. Renovations to an “economically underutilized” refill parcel may have been done and yet not recorded by the Los Angeles County Assessor’s office, resulting in properties mistakenly identified as underutilized.
  7. The City of South Pasadena has recorded all historic structures in its Inventory.<sup>25</sup> South Pasadena residents value the historic single-family residences, duplexes, and apartment buildings built in the late 19th century through the mid-20th century. Consequently, residents tend to retain their properties rather than selling to a developer to create additional housing units.
  8. There are counter-productive and unintended consequences of creating more housing on “economically underutilized” properties. For example, older buildings (residential and commercial) are already providing affordability for residential and commercial tenants and local business owners. Evictions, mandatory relocation programs, and foreclosures have a substantial life-altering experience to those individuals affected. California Government Code, Section 65584.04(a), states that the council of governments, like SCAG, must develop their methodology to support five objectives of RHNA, including: ... (2) promoting infill development and socioeconomic equity. Promoting the refill parcels on the Refill Map attached as Exhibit C could lead to substantial displacement of longtime residents and not meet RHNA’s goal of socioeconomic equity. “Gentrification is undermining the social and economic fabric of communities of color nationwide. The affordable housing crisis is leading to more and more low-income families and individuals being evicted to make room for higher paying renters or condominium purchasers. Rapidly gentrifying urban centers are

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<sup>22</sup> Felt, M. 2007. “Patching the Fabric of the Neighborhood: The Practical Challenges of Infill Housing Development for CDCs.” In: Neighbor Works America, p. 2. Available at: <https://community-wealth.org/sites/clone.communitywealth.org/files/downloads/paper-felt.pdf>.

<sup>23</sup> Editorial Staff. 2020. “Los Angeles Housing Indicators.” In: First Tuesday Journal, September 7, 2020. Available at: <https://journal.firsttuesday.us/los-angeles-housing-indicators-2/29229/>

<sup>24</sup> Felt, M. 2007. “Patching the Fabric of the Neighborhood: The Practical Challenges of Infill Housing Development for CDCs.” In: Neighbor Works America, p. 2. Available at: <https://community-wealth.org/sites/clone.communitywealth.org/files/downloads/paper-felt.pdf>.

<sup>25</sup> Inventory of Historic Housing Stock in South Pasadena can be found at: <https://www.southpasadenaca.gov/home/showdocument?id=13228>

leading low-income households to relocate to suburbs where they are further removed from essential supports and services, such as public transportation and job centers.”<sup>26</sup>

For the reasons listed above, the concept of refill parcels as a tool for identifying housing development opportunities is misplaced and should not be promoted as a viable strategy to help South Pasadena meet SCAG’s unrealistic RHNA target for the 6<sup>th</sup> Planning Cycle. South Pasadena lacks available land suitable for urban development or conversion of property to residential use.

Lands Protected from Urban Development under existing Federal or State Programs

- The entire city of South Pasadena was listed as one the National Trust for Historic Preservation’s “11 Most Endangered Places in America”
- 38% of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated and eligible historic districts, each of which are considered a historic resource for purposes of CEQA.
- The City’s substantial historic inventory significantly limits land and sites suitable for growth and development.

In 1988, the National Trust for Historic Preservation took the unprecedented step of naming the entire city of South Pasadena as one of its “11 Most Endangered Places in America” because of the ubiquity of its historic resources and the threat posed to it at that time by the proposed 710 Freeway extension. The City remained on that list for an also unprecedented five years<sup>27</sup>. The tenacity of the City’s resistance to the freeway lasted more than 35-years and included several lawsuits and federal injunctions staying the extension. The final defeat of the 710 plan in 2019 resulted in the NTHP declaring the Communities of the 710 (Pasadena, South Pasadena, and East LA) one of 12 Preservation Wins, “celebrating a year with wide-ranging victories, from hands-on work that enlivened old buildings, to legal successes that strengthened protection, to creative thinking that re-interpreted, re-imagined, and re-invigorated places telling America’s full history.”<sup>28</sup>

Including the historic 110 Freeway and the Arroyo Seco, **38% of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources. There are eleven (11) designated historic districts in South Pasadena and 61 others that have been identified as eligible for designation** (please see *Exhibit B: South Pasadena HQTAs, Topographic, and Historic Overlay Map*).<sup>29</sup>

In these designated and eligible districts, character counts. Maintaining the character and feeling of the built environment in these neighborhoods is foundational to retaining their integrity as historic places. Failure to consider historic character and integrity when identifying sites suitable for new housing opens the door to the twin threats of demolition and inappropriate development. This possibility is especially likely on properties which are located within these districts but are

<sup>26</sup> Rose, K. and T. Ky-Nam Miller. 2016. "Communities of Opportunity: Pursuing a Housing Policy Agenda to Achieve Equity and Opportunity in the Face of Post-Recession Challenges," Trotter Review: Vol. 23: Issue 1, Article 3. Available at: [http://scholarworks.umb.edu/trotter\\_review/vol23/iss1/3](http://scholarworks.umb.edu/trotter_review/vol23/iss1/3), p. 3 for quote.

<sup>27</sup> <https://savingplaces.org/11-most-past-listings>

<sup>28</sup> <https://savingplaces.org/stories/recent-preservation-wins>

<sup>29</sup> See *Exhibit B: South Pasadena HQTAs, Topographic, and Historic Overlay, map* overlaying the City’s historic resources and districts with the 2045 HQTAs map that was prepared by SCAG to determine RHNA allocations for South Pasadena, for use in recalculating the city’s RHNA allocation.

so-called “non-contributors”. Consistency of density, scale, height and massing are absolutely essential to ensuring that new development does not overwhelm existing historic resources and irreparably change the character that gave a district historic significance in the first place. Indeed, even the authors of progressive legislation such as California Senate Bill 50 and California Senate Bill 1120 that sought to increase density in residential neighborhoods recognized as much by carving out exemptions for historic districts in their bills.

Setting is significant for other reasons than just concepts like character and integrity when discussing historic neighborhoods. Location and setting are key components in the enhanced protection afforded them by the California Environmental Quality Act (CEQA). Each of the 72 designated and eligible districts and each of the 2,566 individually listed properties on the City’s Inventory of Cultural Resources is considered a historic resource for purposes of CEQA. While this does not preclude further intensification of these properties, it does significantly raise the bar legally, adding time and costs. Proposed developments that would demolish or have significant adverse impacts on a historic resource would require the preparation of an Environmental Impact Report (EIR), adding significant time and cost to any possible entitlement, and thus representing a formidable constraint to the provision of new housing, affordable or otherwise.

South Pasadena respectfully requests that SCAG take into consideration the local input provided in this memorandum as it relates to the prevalence of historic resources and its impact on the City’s ability to realistically meet the current RHNA allocation of 2,062 units.

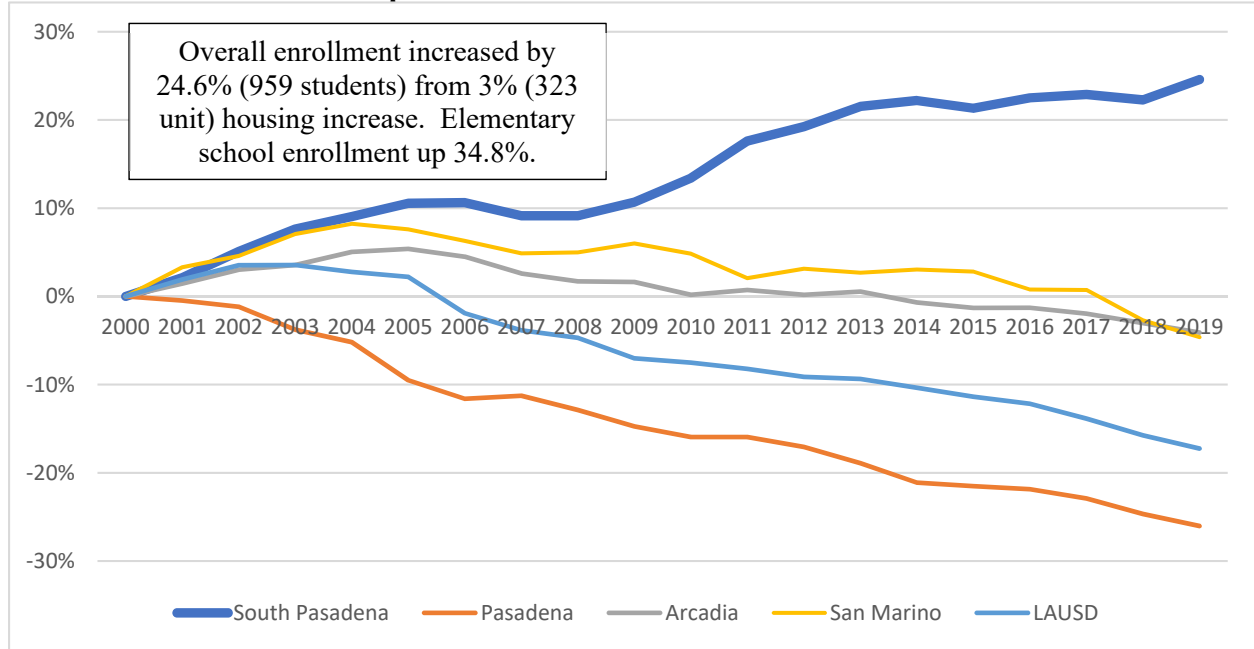
#### **Detrimental Impact on South Pasadena Public Schools**

- The South Pasadena Unified School District (SPUSD) attracts a significantly higher proportion of families with children, with 24.6% enrollment increase over the past 20 years on steady population while neighboring school district enrollments have declined.
- From 2000 to 2020, South Pasadena has built 323 housing units (3%) resulting in an increase of 959 students (24.6%).
- SPUSD is currently enrolled at maximum capacity with 20 classrooms already using portable facilities due to lack of buildings to house the students. Students are already eating lunch in shifts due to the lack of school capacity and overcrowding.
- Based on past census population data, housing unit growth data and a recent new development in the city, the construction of 2,062 new housing units could lead to an enrollment increase of at least 58%. The school district does not have the capacity to accommodate this type of growth.
- Adding 2,062 units over an 8-year cycle would be tremendously detrimental to the students, the school and the overall quality of education in South Pasadena.

South Pasadena is unique in its highly sought-after school district. As such, the City has a much higher percentage of residents with young and school aged children. In fact, as noted, 24% of all residents in South Pasadena are under 18 years of age. **From 2000 to 2019, the population of South Pasadena grew by 4.3% while school enrollment in the South Pasadena Unified School District was up 24.6% overall, with elementary school enrollment up 34.8% during this period.** Overall school enrollment outgrew population increase by 5 times. This contrasts to Los Angeles County as a whole during the same period, 2000-2019, during which population has increased 5.5% but population of school-aged children has declined by 19%. South Pasadena is unique even compared to other nearby top 10-rated school districts such as Arcadia, which has

seen a 4% enrollment decline, and San Marino, which has seen a 4.7% enrollment decline. South Pasadena would be uniquely affected by significant growth as housing units translate directly into increased enrollment for this sought-after school district. SPUSD currently enrolls 4,860 students, a number that has grown steadily over the years despite the largely stable city population.

**Enrollment Growth of Comparable School Districts Since 2000**



Source: <https://dq.cde.ca.gov/dataquest>

From 2000 to 2020, South Pasadena built 323 housing units per Department of Finance data, a 3% increase in housing units. However, during this same period, enrollment in the school district increased by 959 students (24.6%) which is 3x the rate of housing growth. Extrapolating from this data point, adding 2,062 additional housing units per SCAG’s allocation in South Pasadena would increase school enrollment in SPUSD by over 6,103 students, over 100% growth.

Examining a recent housing project’s demographics can also be used as a method to project the impact of new housing units on school enrollment in South Pasadena. One local example is a 35-unit condominium completed in South Pasadena in 2016. Of the 35 new residential units added, 3 are still vacant, 25 units are occupied by families with young or school aged children, 4 units are owned by seniors, and 3 units are occupied by families without children (yet). Taking a national average of 1.9 children per family (of the 25 families in this new housing development), leads to an estimate of 48 new students in the South Pasadena schools from 35 residential units, or a ratio of 1.37 students/housing unit added. Applying this to the 2,062 additional housing units proposed for the City, assuming the same mix of unit types, the SPUSD could expect an additional 2,825 students to its existing population of 4,680 students, an increase of 58% in the student population.

Last, local realtor groups have confirmed that at least 80-90% of families who have moved to South Pasadena specifically did so to send their children to the South Pasadena schools. If 80-90% of families who move into the proposed additional 2,062 housing units intend to send their school-aged children to the South Pasadena schools, then at the average of 1.9 children per family, South Pasadena school enrollment could increase by 3,330 new students, an increase of 69% growth in school enrollment.

Elementary school enrollment has increased 34.8% since 2000, and currently the elementary schools use 13 portable classrooms to teach kids in these overflow facilities. The middle school and high school are similarly capacity constrained with 7 portable facilities in use. Looking at Niche.com ratings, **South Pasadena High School's facilities are rated C+, the lowest of nearby cities because of our aged and overly crowded schools.**

Providing three examples of the local housing unit-to-enrollment relationship: 1) the historical enrollment increase of 959 students from a 323 unit increase, (growing at 3x unit growth); 2) the example of the 35-unit condo building potential yield of 48 students (a potential 58% increase), and 3) a survey of realtors indicating 80-90% of families move to South Pasadena specifically for the schools (a potential 69% increase), the Committee argues that **even in the most conservative of the methodologies, SPUSD would see an enrollment increase of at least 58% in order to accommodate 2,062 housing units, which cannot be accommodated due to physical land and facility constraints and limited financial resources.** SPUSD is at maximum capacity, with many classes already being held in portable classrooms because the District does not have the school facilities (land, buildings and other resources) to house all of the existing 4,860 students. **Students are already eating lunch in shifts, giving up on school lunch lines, and eating in the hallways due to overcrowding.** SPUSD does not have the land to accommodate the students/acre ratio that the district prescribes, and any land acquisition within the city to accommodate growth in enrollment would compete with land for housing. It is not tenable to increase capacity to an estimated 7,505 students as would result from an additional 2,062 housing units. The school district does not have the funds or mechanisms to expand classrooms, utilities and facilities within an eight-year time frame. Recent bonds issued by the school district financed upgrades to the aging infrastructure, but not to any expansion to the facilities. To accommodate the inevitable student growth of adding 2,062 housing units would require a significant change to the SPUSD's strategic and master plans, neither of which could be completed in time to accommodate such a surge in enrollment.

South Pasadena schools are operating at capacity in terms of facilities, land, operations and funding. Adding 2,062 new housing units in South Pasadena over the next 8 years would create a surge in enrollment and severely undermine the accessibility of quality education in the City's public-school system. SPUSD does not have the infrastructure or resources to support a 58% growth in student population.

#### Sewer and Water Infrastructure—Lack of Capacity

##### Lack of Water Capacity

- With an addition of 2,062 housing units, given all of the City's water needs, the City would have a water supply shortfall of 1,578 acre feet/year (AFY) by 2029.
- South Pasadena does not have the necessary water availability, water rights or supporting infrastructure to support the proposed 2,062 housing units allocated by SCAG.
  - Droughts are reducing the available groundwater pumping capacity in the San Gabriel Main Basin.
  - The City is uncertain about how much water will be available in the future.

Water Capacity. Southern California is and has been reliant on water from sources outside the region. The region will continue to experience severe drought conditions necessitating strict conservation and rationing. During this last drought cycle, the region was required to reduce its water usage by more than 25% in most Southern California areas. The City believes that continued drought conditions exacerbated by global warming will limit water sources available to the City, for which South Pasadena relies on third-parties.

South Pasadena does not have the necessary water supply or supporting infrastructure to support the proposed 2,062 housing units allocated by SCAG. South Pasadena obtains 91% of its water from the Main San Gabriel Basin groundwater. The shortfall is made up in purchased water from the Metropolitan Water District (the “MWD”) (8%) and Pasadena Water and Power (1%). The Main San Gabriel Basin Watermaster regulates the amount of groundwater South Pasadena can legally pump which is currently 1.5% of the “safe yield for all groundwater” from the Main Basin. This number varies annually based on the amount of groundwater available.

South Pasadena’s average use of potable water since 1990 is 3,411 acre feet of water annually. Due to the drought conditions in California, which have affected the groundwater table and considerable conservation efforts, South Pasadena’s groundwater pumping allocation dropped to 2,707 acre feet/year, representing a 20% decrease from annual usage. At the same time, climate change and continued droughts are reducing the available groundwater in the San Gabriel Main Basin. The City is uncertain about how much water will be available to purchase in the future.

To accommodate an increase in housing units of 2,062, the number allocated to South Pasadena, the City would need an additional 335 acre feet/year of water (an increase of 14%).<sup>30</sup> The City believes that it will not have access to that additional water needed to accommodate 2,062 new housing units. Arguably, even if such amount were available to the City to buy, it would be at a cost that would further burden the City’s current deficit budget. Theoretically, these additional costs could be passed-through to residents, increasing further the already high cost of housing, directly antithetical to the goals in California’s quest for affordable housing.

Moreover, even if additional water were to become available, South Pasadena does not have the water infrastructure (i.e., storage, pumping capacity, etc.) to support the additional housing units. The City’s water system infrastructure has no additional existing water supply connection or potential future water supply connection other than the MWD connection. Last, with an addition of 2,062 housing units, given all of the City’s water needs, the City would have a water supply shortfall of 1,578 AFY by 2029.<sup>31</sup>

Sewer Capacity. The City’s current sewer infrastructure is aging. The volume of waste and the effluence needed to move sewage out of the City is already strained. Wastewater flow would increase 14% by adding an additional 2,062 units in the City as proposed by SCAG. The City’s assessment of the sewer capacity is ongoing, but the City does not believe there is sufficient existing infrastructure to support the addition of the draft RHNA allocation of 2,062 housing units. The capacity assessment will be completed within the next year, with preliminary results available

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<sup>30</sup> Carollo Report, “FHNA Housing Requirement Impact to South Pasadena’s Water & Wasterwater Services”, October 13, 2020

<sup>31</sup> Id.

within the next few months. The assessment will include local capacity as well as the impact of South Pasadena's and other jurisdictions' systems on regional capacity.

#### IV. Changed Circumstances

- COVID-19 has changed everything; including an increase in telework and the elimination of commutes. This fundamentally changes the heavy reliance of accessibility to jobs and HQTA as basis of RHNA allocation. While COVID-19 may pass with time, the lifestyle and workplace shifts will remain.
- Governor Newsom signed an executive order banning the sale of carbon-emission vehicles by 2035; the rapid adoption of electric vehicles in California, the fact that only 5% of South Pasadena residents use public transportation for their commutes and the changes to workplaces as a result of COVID-19, should facilitate the reconsideration of the use of HQTA as a predominant factor to allocate housing units.

The onslaught of the COVID-19 pandemic has changed everything in our city, state, nation and the world. Not only is COVID-19 a serious health challenge, but it has and continues to impact the way we work and live. The workforce is adapting to telework, and many companies are adopting work-from-home as the future of the workplace, eliminating commutes and the reliance of transportation to and from work. One critical impact of this evolving circumstance for the RHNA allocation is the reliance on HQTAs as a factor in the allocation methodology. South Pasadena thus challenges the weight of HQTA in the RHNA methodology. Moreover, as noted earlier, SCAG did not consider in evaluating the designated HQTA in South Pasadena that 52% of the areas so designated as HQTA include unwalkable areas, historic protections or recreational open space which have very limited development potential.

Given its small, 3.44 square mile size, South Pasadena already has a housing density of 3,199 units/square mile, the third-highest of our comparative cities in our region. In the wake of COVID-19, local factors need to be examined before mandating such increased growth of 2,062 units within eight years so as not to strain or damage the fundamental systems (school system, water and sewer infrastructure) that are supporting the community.

South Pasadena urges SCAG to reconsider its RHNA methodology and to use local factors for determining a jurisdiction's RHNA for the 6<sup>th</sup> cycle. While South Pasadena did not previously respond to the Local Planning Factor Survey, the City has included the survey as part of its appeal. The City's oversight regarding the Local Planning Factor Survey in 2019 resulted from tremendous turnover in the City's government and staffing over the past 3 years, including three Planning Directors within the past three years, and an entirely new planning staff within the last two years. Failure to consider local planning factors at this time will result in the requirements of unrealistic and unattainable housing goals. The City respectfully requests that SCAG integrate the use of local planning factors into the RHNA allocation methodology and urges SCAG to review the City's local factor analysis herein.

The City has and continues to take proactive steps to help abate the housing crisis. For the current RHNA cycle, the City has approved 214 housing units to date, i.e., 240% of its 63-unit allocation, including 122 units in 2020 alone, 10 of which are low-income units.

In addition, the City is currently developing a draft General Plan Update and Downtown Specific Plan (GP/DTSP) in coordination with the 6<sup>th</sup> cycle Housing Element, including amending

the scope of the EIR for the GP/DTSP to accommodate an increased RHNA allocation beyond the 589 housing unit previously assumed in the City's draft GP/DTSP. The City is exploring strategies and policies to encourage development of housing near transit along Fair Oaks Avenue and near the Metro Gold Line Station, while preserving historic resources. The City is also in the process of adopting an Inclusionary Housing Ordinance to produce more affordable housing and is updating the City's Accessory Dwelling Unit (ADU) Ordinance to incentivize production and affordability of ADUs. As demonstrated by these efforts, South Pasadena is striving to increase affordable housing in the City.

However, given local factors of historic preservation, topography, age and stage of the City's development and longstanding community membership that limit land availability; and the capacity of the city's school system and infrastructure, the City's draft RHNA allocation of 2,062 additional units is not attainable. For these reasons, the City respectfully requests that SCAG reduce the City's RHNA allocation to a maximum of 1,216 units to provide a more attainable goal.

### Conclusion

South Pasadena respectfully appeals the allocation of 2,062 housing units for the 6<sup>th</sup> RHNA cycle. Land for the development of 2,062 units is just not available in the City. The Refill Map proposed to define parcels available for development is flawed in both the methodology used to identify such parcels, inaccuracies in the County Assessor's records and faulty assumptions regarding property owners' desires to vacate or further develop their properties. Further, 38% of the properties in South Pasadena are designated as historic which limit their development potential. In addition, the City's already strained and aging sewer and water infrastructure will be further stressed by an addition of 2,062 additional housing units; these systems have been stressed in recent years, both of which have been or are in the process of remediation at significant cost to the City and its residents. Adding 2,062 housing units will guarantee additional problems, causing environmental issues, shortages and system constraints. The South Pasadena Unified School District lacks the land, facilities and financial resources to educate the estimated 58% increase in students that would enroll in the schools as a result of the 2,062 additional housing units, further stressing this vital community institution. These local factors, as more fully set forth herein, must be considered in allocating housing units to South Pasadena for the 6<sup>th</sup> RHNA cycle.

In addition, South Pasadena challenges the methodology used in identifying HQTAs for housing allocation due to its failure to consider local factors. Again, simply identifying a 0.5-mile radius around transit areas does not guarantee that the area identified is available or suitable for housing development. In fact, of the HQTA area identified in South Pasadena, only 48% is available for development given that the areas included in such 0.5 mile radius contain historic districts limited in their development, unwalkable areas on steeply sloped properties, open space and school properties.

Moreover, the City challenges the State of California's allocation of total housing units to the Southern California region. The City believes that the total allocated to this region is double the number of units that should have been allocated, with the calculation error based on faulty assumptions as discussed herein. The City of South Pasadena offers to join SCAG's efforts to appeal the State's allocation to lower the burden throughout the region.

Last, South Pasadena is a thriving, ethnically and socio-economically diverse city, consistent with the housing goals set forth in California Government Code Section 65584 to



affirmatively further fair housing. The City has not only been working to exceed its housing goals for the 5<sup>th</sup> RHNA cycle, it is actively pursuing an Inclusionary Housing Ordinance, zoning changes to liberalize and encourage the building of Accessory Dwelling Units in the City and seeking to increase allowable density and other building requirements in its draft General Plan and Downtown Specific Plan. The City is committed to help the region and the state ease the current housing situation in the State of California, but for the reasons stated above, it simply cannot plan for an additional 2,062 housing units over the next 8 years.

Applying South Pasadena's local factors, as outlined above and more fully described in the attached documents, to the SCAG 6th cycle methodology, South Pasadena should be allocated a **maximum of 1,216 housing units**. That said, the **City does not believe its public-school system can accommodate even half of these new units over the next eight years as even a 323 (3%) unit growth has added 959 (24.6%) student enrollment over the last 20 years.**

**List of Exhibits:**

- Exhibit A: SCAG HQTAs Designated Areas
- Exhibit B: South Pasadena HQTAs, Topographic, and Historic Overlay
- Exhibit C: SCAG Refill Map
- Exhibit D: SCAG Refill Map and Historic Overlay

Exhibit A: SCAG HQTAs Designated Areas

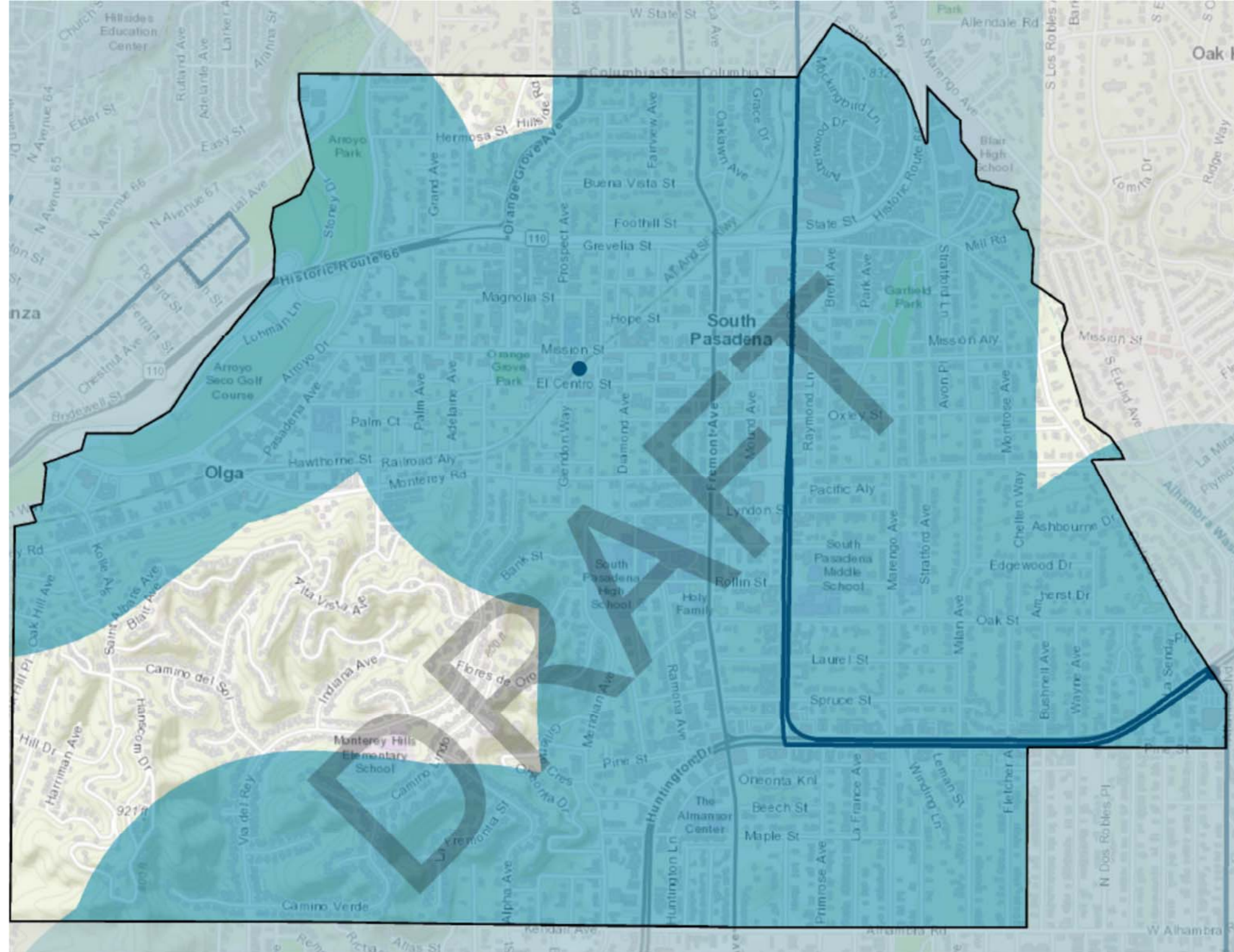


Exhibit B: South Pasadena HQTAs, Topographic, and Historic Overlay

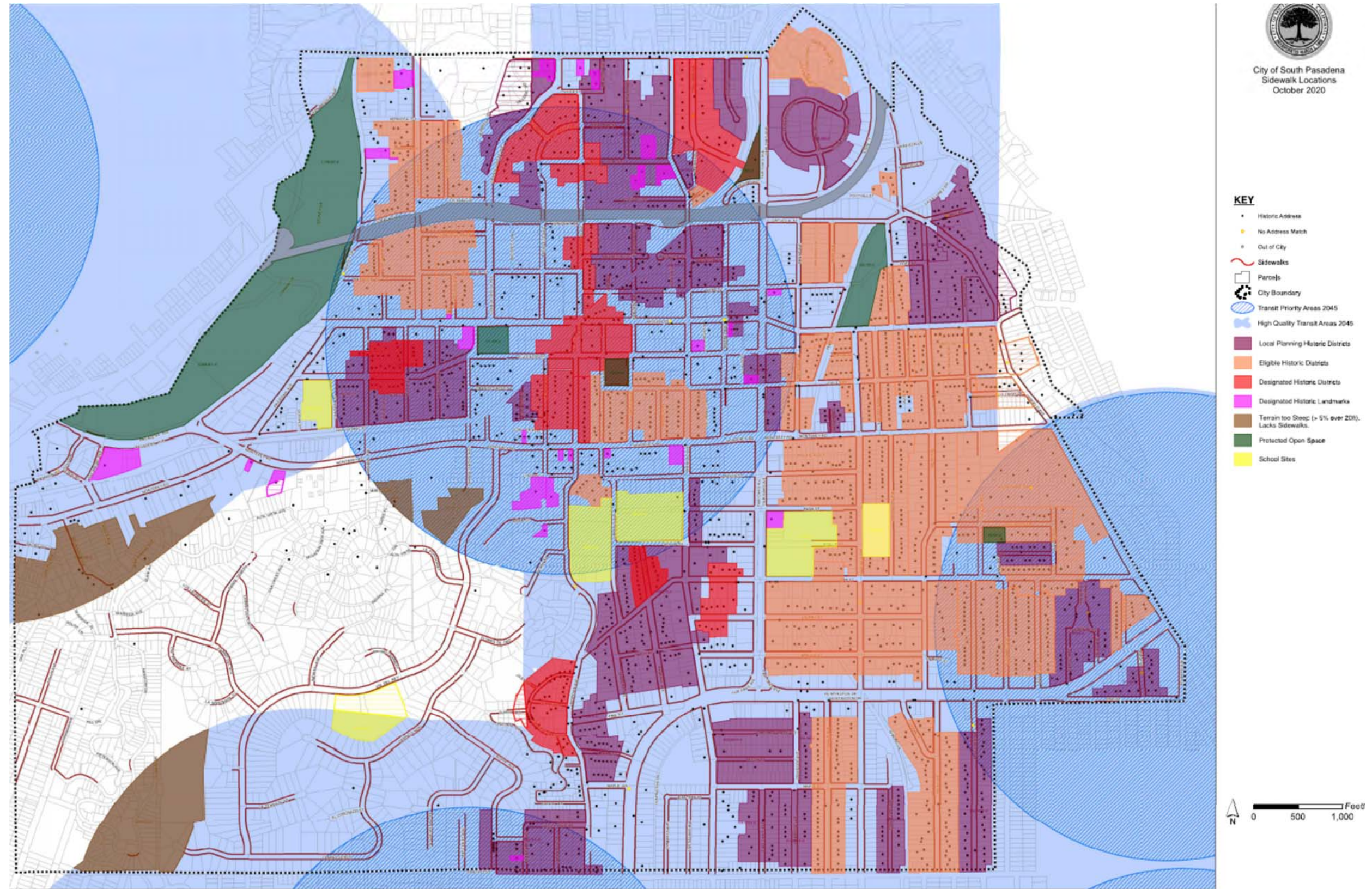


Exhibit C: SCAG Refill Map

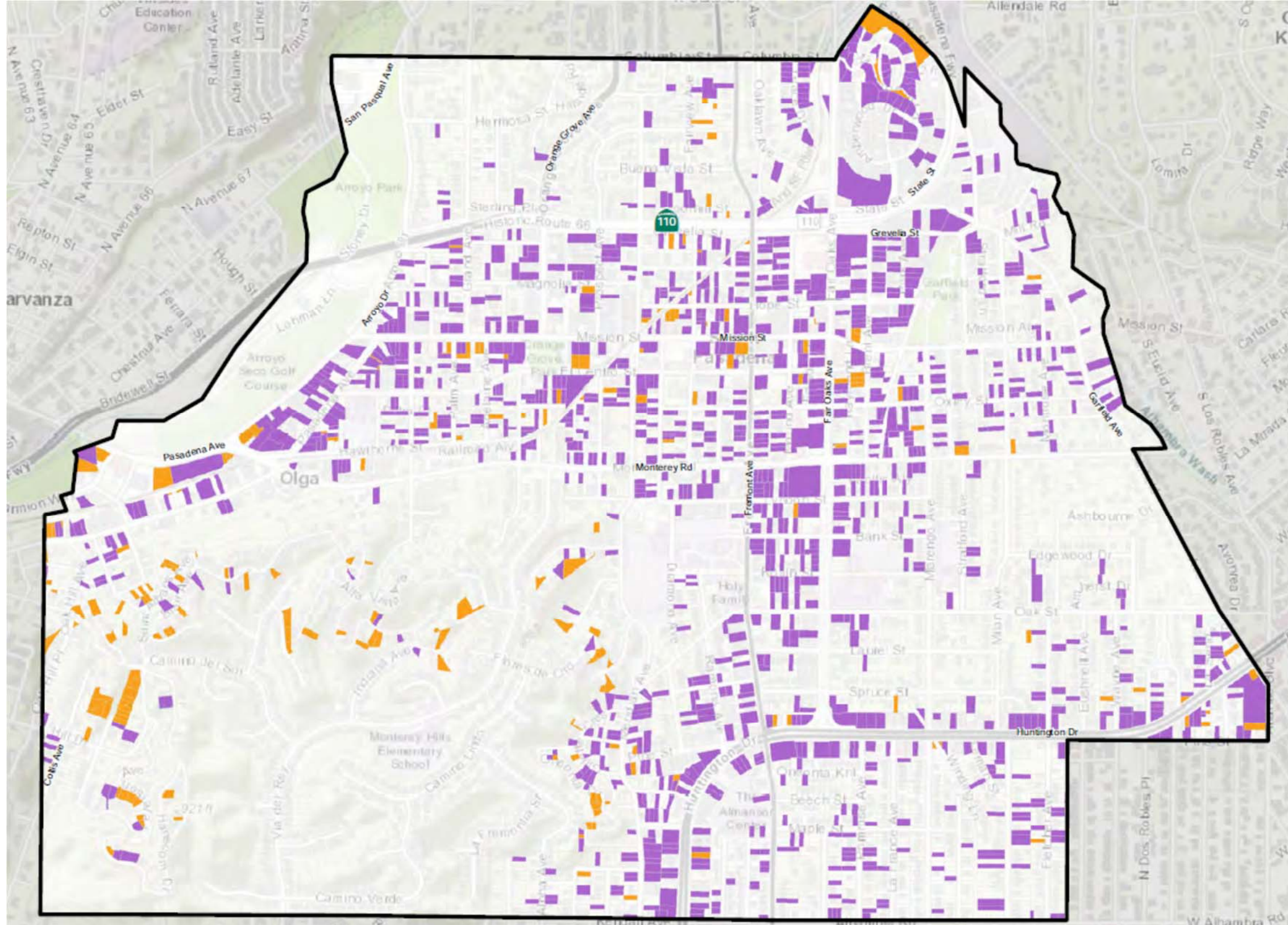
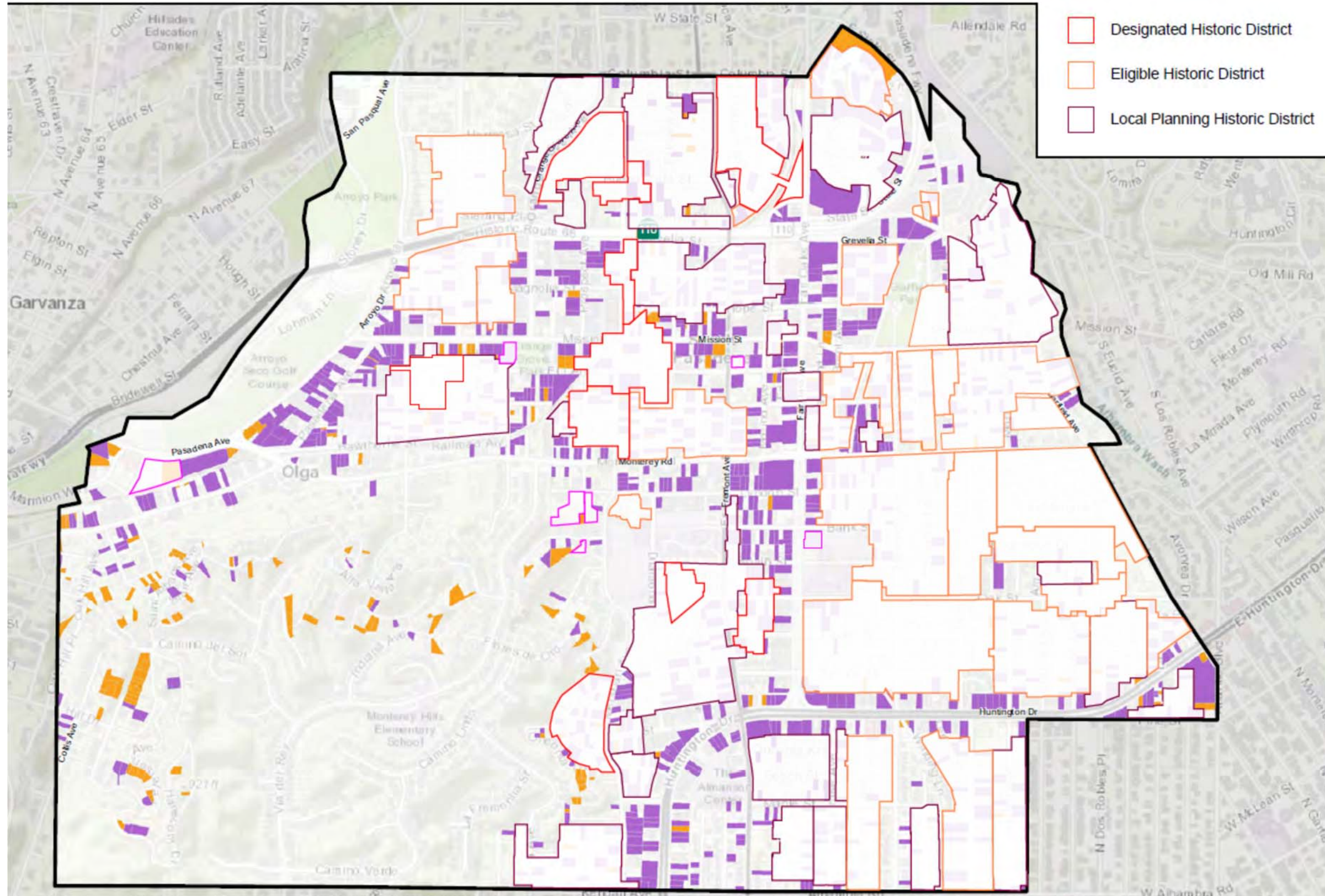


Exhibit D: SCAG Refill Map and Historic Overlay



# ATTACHMENT 3

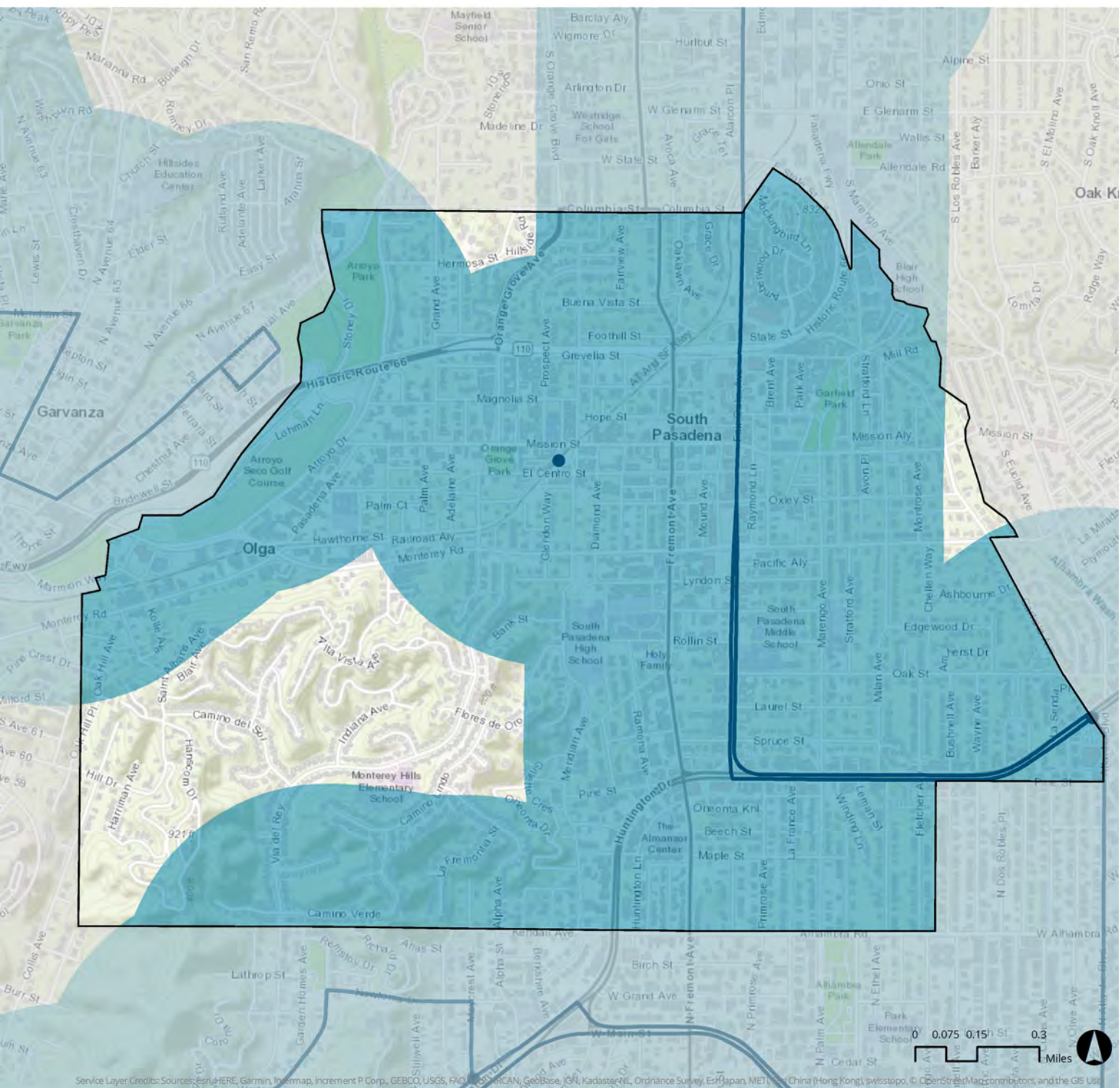
## Local Planning Factor Survey

<b>Jurisdiction</b>	<b>South Pasadena</b>
<b>County</b>	<b>Los Angeles</b>
<b><u>Planning Factor</u></b>	<b><u>Impact on Jurisdiction</u></b>
Existing and projected jobs and housing relationship, particularly low-wage jobs and affordable housing	South Pasadena is primarily a suburban residential community, and therefore, has a relatively small employment base. It is not anticipated that employment growth within the City will be a major stimulus to housing demand.
Lack of capacity for sewer or water service due to decisions made outside of the jurisdiction’s control	Existing City services including water, sewer and storm, drain facilities are available to serve the level of development projected in the current General Plan. However, the City does not have sufficient water supply or infrastructure to support the proposed 2, 062 housing units allocated by SCAG. The City obtains 91% of its water from the Main San Gabriel Basin, 8% from the Metropolitan Water District, and 1% from Pasadena Water and Power. While the City could purchase more water from other agencies, there is a finite supply and available budget. Similarly, the City's sewer capacity is already strained and the existing infrastructure is aging. Requiring the City to accommodate an infeasible amount of housing units within the next 8 years will result in significant environmental impacts.
Availability of land suitable for urban development	The City is essentially built out with minimal vacant land available for future development. 62% of the City's existing land use is residential and further limits the supply of developable parcels and therefore increases the cost of providing affordable housing. The lack of readily developable vacant land, combined with a strong housing market, means that land in the City is expensive to acquire for new development. Other factors influencing land prices in the City include the cost associated with the preservation of historic resources, cost of relocating existing uses, the assembly of multiple parcels under different ownership, and environmental remediation costs when developing in commercial areas. In 1988, the National Trust for Historic Preservation named the entire city of South Pasadena as one of its “11 Most Endangered Places in America” because of the ubiquity of its historic resources. 38% of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources; in addition to 11 designated historic districts and 61 eligible historic districts. While this does not preclude properties from further intensification, they do increase the time and cost of development and create a significant constraint on the City's ability to provide new housing.
Lands protected from development under Federal or State programs	There are no parcels in the City protected from development under Federal or State programs. However, 38% of the residential properties in the City are designated or eligible for historic designation which makes it more difficult to demolish/rehabilitate, restricts the allowable density, lengthens the approval process, and raises the cost of development. Approximately 37% of all housing units in the City were built in 1939 or earlier; and over 94% of the housing stock is over 30 years old and will likely have rehabilitation needs. The City of South Pasadena has worked hard to preserve its historic character. There are 2,566 properties that are both individually eligible resources and contributors to historic districts. This includes the recently identified properties from the mid-century modern era. There are 11 designated Historic Districts and 61 Potential Historic Districts.
County policies to preserve agricultural land	There is no agricultural land in the City preserved by County policies.

<b>Jurisdiction</b>	<b>South Pasadena</b>
<b>County</b>	<b>Los Angeles</b>
<b><u>Planning Factor</u></b>	<b><u>Impact on Jurisdiction</u></b>
Distribution of household growth assumed for regional transportation planning and opportunities to maximize use of public transportation	In developing the City's General Plan Update and Downtown Specific Plan, the City is exploring strategies and policies to encourage development near the Metro Gold Line Station. Mission Street is the City's historic 'Main Street,' with many small storefront businesses oriented around the Metro Gold Line Station promoting walkability. This limited commercial district plays a key role in the City's historic character and financial sustainability. With removal of the SR-710 North Project, the City would like to restore its historic character by concentrating traffic along the commercial corridor on Fair Oaks Avenue with the SR-710 Mobility Improvement Projects.
Agreements between a county and cities to direct growth to incorporated areas of the county	There is no agreement between the County and the City to direct growth to incorporated areas of the County.
Loss of low income units through contract expirations	N/A
[NEW] Percentage of households that pay more than 30% and more than 50% of their income on rent	According to the 2018 American Community Survey, 55.4% of South Pasadena households pay more than 30% of their monthly income towards housing costs. Approximately 19% pay more than 50% of their monthly income towards housing costs.
[NEW] Rate of overcrowding	According to the most recently available data from the American Community Survey (2018), 8.2% of total households in South Pasadena are considered overcrowded (more than 1 person per room).
Farmworker housing needs	N/A
Housing needs generated by the presence of a university campus within the jurisdiction	N/A
[NEW] Loss of units during a declared state of emergency that have yet to rebuilt at the time of this survey	The City has not recently lost any housing units during a declared state of emergency
[NEW] The region's greenhouse gas emission targets provided by the California Air Resources Board	The City is currently working on adopting its first Climate Action Plan. The long-range plan outlines specific strategies for how it will reduce its greenhouse gas emissions (GHG) in accordance with statewide targets. The CAP intends to facilitate the reduction of GHG emissions throughout South Pasadena through implementation of 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy: Towards a Sustainable Future (RTP/SCS) in a way that is practical, efficient, and beneficial to the community and enhances South Pasadena's desirable characteristics and qualities. The foundation for developing emission reduction and climate adaptation measures will be based on the City's existing work as detailed in the extensive plans and programs comprising the City's sustainability goals and vulnerability analysis. The City also adopted its Vehicle Miles Traveled threshold methodology. The CAP will be incorporated into the mobility section of the General Plan Update and Downtown Specific Plan.



<b>Jurisdiction</b>	<b>South Pasadena</b>
<b>County</b>	<b>Los Angeles</b>
<b><u>Planning Factor</u></b>	<b><u>Impact on Jurisdiction</u></b>
Other factors	<p>Historic Preservation: Approximately 37% of all housing units in the City were built in 1939 or earlier; and over 94% of the housing stock is over 30 years old and will likely have rehabilitation needs. The City of South Pasadena has worked hard to preserve its historic character. There are 2,566 properties that are both individually eligible resources and contributors to historic districts. This includes the recently identified properties from the mid-century modern era. There are 11 designated Historic Districts and 61 Potential Historic Districts. Approximately 42% of the HQTAs includes properties that are historic, within a historic district, or eligible for historic status.</p> <p>Topographical Challenges: 4% of the HQTAs is located within areas that do not have sidewalks or have grades in excess of five percent. The development of multifamily housing in hillside areas is constrained due to steep slopes, substandard lots, unimproved roads, and geological and seismic related issues. Development of the hillside area is costly due to the cost of grading, the public services that must be provided to these areas, and in some cases, existing substandard conditions of existing infrastructure available to serve the site. Some of these higher costs are attributable to provision of water for both consumption and fire prevention and compliance with strict construction standards. In addition, public and private access to hillside sites is expensive to construct and maintain.</p> <p>School Infrastructure Capacity: Building out new school capacity is a long and costly process. Currently, South Pasadena Unified School District is in the middle of a \$98 million bond program (Measure SP) to repair and upgrade existing facilities and replace the approximately 17 temporary classrooms with permanent structures. The portable classrooms were installed periodically over the years in order to accommodate increased enrollment that went beyond the physical building capacity. Additional ability to raise funds through another construction bond could be impacted by the overall bonding capacity available. Generally speaking, building additional school capacity (beyond the current projects already underway) would likely require 6+ years.</p>



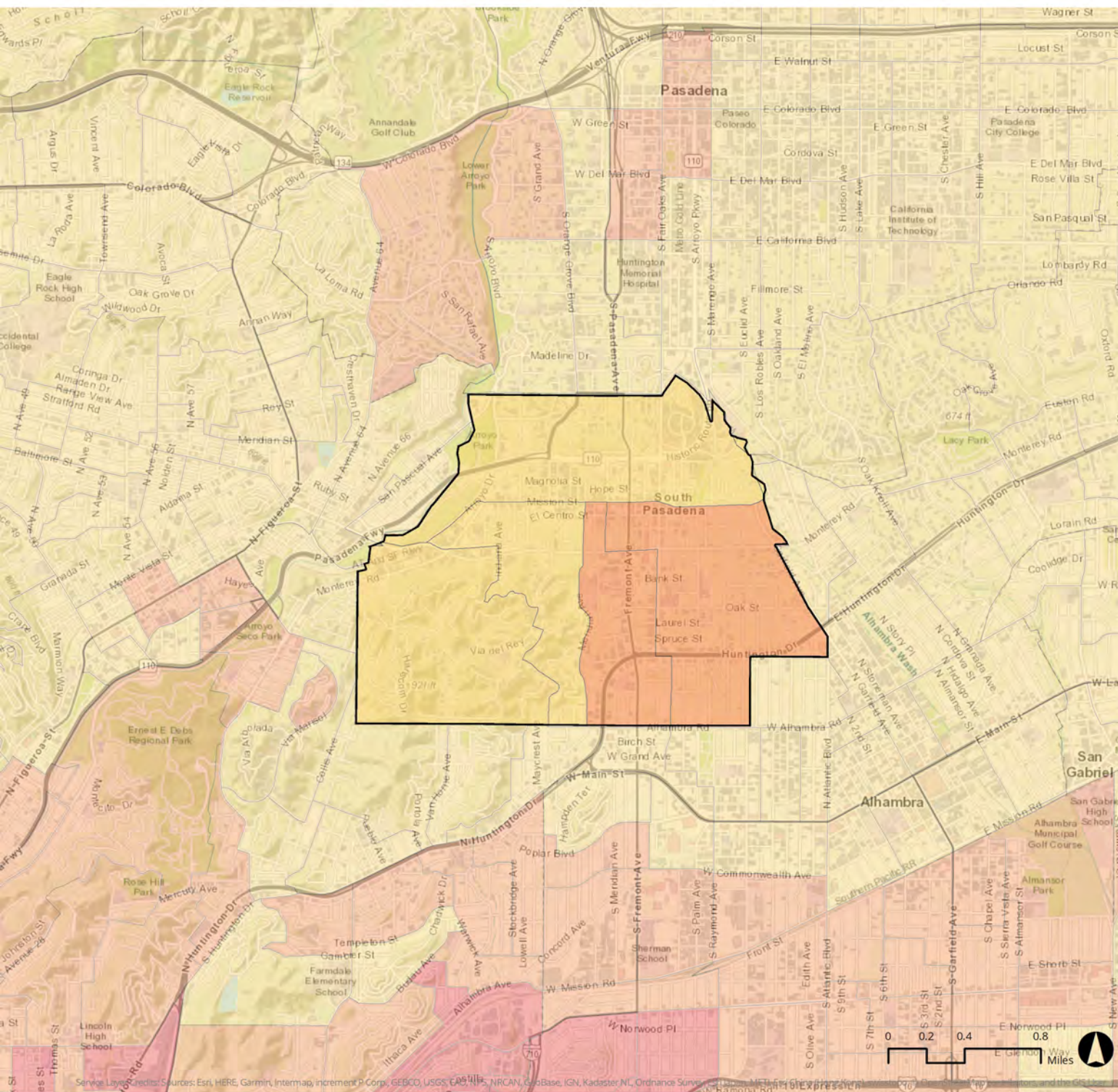
## Major Transit Stops and High Quality Transit Areas in City of South Pasadena [Year 2045]

- Major Transit Stops
- High Quality Transit Corridors (HQTCS)
- High Quality Transit Areas (HQTAs)

Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCS), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCS are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTA) is within one-half mile from Major Transit Stops and HQTCS and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of South Pasadena. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data used, please refer to the SCAG Data/Map Book at [connectsoocal.org/Pages/Local-Input-Process.aspx](https://connectsoocal.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).



## TAZ-level job accessibility in and around: City of South Pasadena [Year 2045]



Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodology of this map, please refer to the SCAG Data/Map Book at <https://www.connectsoal.org/Pages/Local-Input-Process.aspx> or contact RTPLocal@scag.ca.gov



Southern California Association of Governments  
k h \  
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: MaAyn Johnson, Regional Planner Specialist,  
(213) 236-1975,

Subject: Appeal on the Draft Allocation for the City of Pasadena

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of Pasadena (the City) to reduce its Draft RHNA Allocation from 9,408 housing units to 7,361 units, a reduction of 2,047 units (21.8 percent).

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**EXECUTIVE SUMMARY:**

**SUMMARY OF APPEAL:**

The City of Pasadena requests a reduction of its RHNA allocation of 9,408 residential units based on the following issues:

- 1) Application of adopted Final Methodology for the 6<sup>th</sup> Cycle RHNA - Determination of the City's share of regional housing need in accordance with Affirmatively Furthering Fair Housing objectives, regional jobs-housing balance, and attainment of regional greenhouse gas (GHG) emissions reduction targets.
- 2) Housing needs generated by the presence of a university campus within a jurisdiction - Fuller Theological Seminary.
- 3) Changed circumstances - Fuller Theological Seminary changes in housing plans and student population.

**RATIONALE FOR STAFF RECOMMENDATION:**

SCAG staff has reviewed the appeal submitted by the City of Pasadena and recommends no change

**OUR MISSION**

*To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.*

**OUR VISION**

*Southern California's Catalyst for a Brighter Future*

**OUR CORE VALUES**

*Be Open | Lead by Example | Make an Impact | Be Courageous*

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be made to the City's RHNA allocation.

Issue 1: The appeal based on an improper application of the adopted RHNA methodology is not accepted because sufficient evidence was not provided to demonstrate that SCAG's application of the adopted Final RHNA Allocation Methodology to determine the City of Pasadena's share of regional housing need was improper.

Issues 2 and 3: The appeal based on a change in local circumstances was not demonstrated to be a justifiable factor for reducing the City's RHNA Allocation. It is assumed that any projected decline in the college student population in Pasadena was reflected when the City provided local input on household growth in support of the SCAG Growth Forecast development process. No evidence was submitted that the lower- and moderate-income household projections for the City of Pasadena have changed since the time of the Growth Forecast local input process. Additionally, it was not sufficiently demonstrated that the current reduction in student enrollment at the Fuller Seminary will be a permanent condition that will not change during the eight-year RHNA cycle.

## **BACKGROUND:**

### **Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, each local jurisdiction in the SCAG region received its draft RHNA allocation on September 11, 2020. A summary of the draft RHNA allocation for the City of Pasadena is provided below.

#### **Total RHNA Allocation for the City of Pasadena: 9,408 units**

Very Low Income: 2,740 units

Low Income: 1,659 units

Moderate Income: 1,562 units

Above Moderate Income: 3,447 units

Additional background information related to the Draft RHNA Allocation for the City of Pasadena is included in Attachment 1.

### **Summary of Comments Received During 45-day Comment Period**

No comments were received from local jurisdictions or the California Department of Housing and Community Development (HCD) during the 45-day public comment period described in Government Code section 65584.05(c) specifically regarding the appeal filed by the City of Pasadena. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Cities Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

#### **ANALYSIS:**

***Issue 1: Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)].***

*The City of Pasadena argues that the application of the adopted RHNA methodology failed to meet one of the primary objectives of State housing law – increasing the supply of housing throughout the region in an equitable manner (per Government Code Section 65584(d)(1)). The City's appeal documentation provides a set of data points for jurisdictions in the San Gabriel Valley and Arroyo Verdugo subregions including housing affordability, jobs housing ratios, cost-burdened households, percentage of extremely low-income residents, race and ethnicity, ownership rates, vacancy rates, overcrowding, and permits issued. The City contends that several of these data points for neighboring jurisdictions indicate that some of these surrounding cities have maintained economic exclusivity and racial homogeneity and have not adequately provided their fair share of the regional housing burden, particularly for lower income housing need.*

*Furthermore, the City argues that its Draft RHNA Allocation places an inequitable share of the San Gabriel Valley and Arroyo Verdugo subregional housing burden onto a city that has been proactive toward meeting its housing and housing diversity needs, and specifically, its affordable housing needs. By contrast, several of the City's neighboring jurisdictions have been significantly less attentive to accommodating their fair share of regional and subregional housing need. The application of the RHNA methodology has served to reward jurisdictions that have historically neglected housing diversity objectives while penalizing cities, like Pasadena, which have produced a diversity of housing. The application of the RHNA methodology therefore fails to achieve the objective of equitable distribution.*

*The City also argues that the adopted RHNA methodology's redistribution of residual need within each county, as opposed to within each subregion, is inconsistent with the RHNA and Connect SoCal objectives to achieve jobs/housing balance, reduce vehicle miles traveled, and attain greenhouse gas (GHG) emission reduction targets.*

**SCAG Staff Response:** As described above and in Attachment 1: Local Input and Development of Draft RHNA Allocation, the Final RHNA Methodology was adopted by the SCAG Regional Council on March 5, 2020 and describes the various policy factors whereby housing need would be allocated across the region—for example, anticipated growth, access to jobs and transit, and vacancy. The methodology makes extensive use of locally reviewed input data and describes data sources and how they are calculated in detail. On January 13, 2020, the RHNA Methodology was found by HCD to further the five statutory RHNA objectives<sup>1</sup> largely due to its use of objective factors. As such, SCAG may not consider these factors differently from one jurisdiction to another.

An example of an improper application of the adopted Methodology that may be eligible for appeal might be a data error identified by a local jurisdiction. The regional determination establishing the total number of housing units to be allocated to the SCAG region for the 6th RHNA cycle was set by HCD and is not subject to appeal by SCAG or its constituent jurisdictions.

Ultimately, the Draft RHNA Allocation is the result of applying the policy direction provided by SCAG's Regional Council (conducted in order to be consistent with the five statutory objectives of RHNA) and applying this to all local jurisdictions. Whether a jurisdiction's Draft RHNA Allocation is higher or lower depends on these factors as reflected in the data (see Attachment 1 for further details) – principally its growth forecast, job access, and transit access. While the City provides several datapoints on a variety of factors, some of these factors have already been specifically addressed at the regional level as part of the regional determination, while others were not included in the adopted Methodology. The City's Draft RHNA Allocation is the outcome of the policy factors in the adopted RHNA methodology used to allocate RHNA, which was applied in a consistent manner to all SCAG jurisdictions.

Furthermore, the distribution of residual need from disadvantaged communities at the county-level is consistent with the adopted RHNA Methodology and HCD has further provided its findings that

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<sup>1</sup> The five RHNA objectives are: 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 (Govt. Code § 65584(d)).

the adopted Methodology, including this distribution mechanism, furthers the objectives of State housing law. Attachment 1 provides more information regarding HCD's review of the draft RHNA methodology), including HCD's comment:

"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology." (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).

The adopted Final RHNA Methodology was developed through an extensive public process that culminated in its adoption in March 2020. The City's appeal does not provide any evidence that the adopted Final RHNA Methodology was inconsistently applied for Pasadena. This basis for appeal regards the application of the RHNA Methodology and not the adopted methodology itself, which was developed through an extensive public process that culminated in its adoption in March 2020. The City's appeal does not provide sufficient evidence that this formula from the adopted Final RHNA Methodology was inconsistently or improperly applied in the determination of housing need for the City of Pasadena. For this reason, SCAG does not recommend a reduction to the City's RHNA allocation based on this factor.

***Issue 2:*** *Housing needs generated by the presence of a university campus within a jurisdiction [Section 65584.04(e)(9)] and changed circumstances [Government Code Section 65584.05(b)].*

*The City indicates in its appeal that, at the time of the City of Pasadena's General Plan adoption in 2015, the Fuller Theological Seminary was an integral part of the Pasadena community, and the Seminary's 2006 Master Plan adopted by the City supported the college's plan to build an additional 514 residential units for faculty and students, approximately 264 units of which have subsequently been built. However, Fuller officials have recently indicated that no new additional housing construction will occur on the campus, including the 250 additional housing units originally planned, due to declining enrollment and a reduction in offered programs. The City asserts in its appeal that this planned additional campus housing was included in their growth projections and argues that this is a change in circumstances that will result in a reduced demand for lower-income and moderate-income housing units within the City of Pasadena. For this reason, the City requests its RHNA allocation be reduced by 250 units to reflect this change in circumstance.*

**SCAG Staff Response:** With respect to changed circumstances, Government Code Section 65584.05(b) indicates:

"Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the



intent of the objectives listed in subdivision (d) of Section 65584. . . . Appeals shall be limited to any of the following circumstances: 3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.”

The City argues that the decision by the Fuller Theological Seminary not to develop the planned campus housing units due to declining enrollment and reduced housing need results in a change in circumstance that justifies a lower RHNA allocation. However, there is no evidence provided by the City in its appeal, such as an updated Master Plan adopted by the City (as it had done with the current one) to numerically support the assertion that these changes, including the decline in student population, will be completed by the end of the 6<sup>th</sup> RHNA cycle (October 2029). While the City indicates that there will be no additional new housing construction at the Fuller Seminary, this does not necessarily mean that the reduction in student population will occur soon after. If student enrollment does not decrease simultaneously to the stoppage in new housing construction, housing need for enrolled students will continue to exist regardless of housing supply.

Without documentation to support the assertions regarding: 1) Fuller’s decision not to construct the planned additional campus housing; 2) numerical changes in student enrollment; and 3) the dates of when the projected decline in student enrollment will occur (to show that the expected reduction in student enrollment will occur at exactly the same time as the anticipated reduction in housing supply planned to support it), SCAG is not able to recommend a reduction to the City’s Draft RHNA Allocation based on this factor.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

**ATTACHMENT(S):**

1. Attachment 1\_Local Input and Development of Draft RHNA Allocation (City of Pasadena)
2. Attachment 2\_Appeal Form and Supporting Documentation (City of Pasadena)
3. Attachment 3\_Comments Received During the Comment Period (General)
4. Attachment 4\_2045 HQTA\_Pasadena
5. Attachment 5\_2045 Job Access\_Pasadena

## Attachment 1: Local Input and Development of the Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of Pasadena had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of Pasadena's Draft RHNA Allocation.

### 1. Local input

#### *a. Bottom-Up Local Input and Envisioning Process*

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for Connect SoCal and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each jurisdiction was provided a package of land use, transportation, environmental, and growth forecast data for their review and revision which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of Pasadena, the anticipated number of households in 2020 was 57,819 and in 2030 was 61,013 (growth of 3,194 households). In January 2018, SCAG staff met with local jurisdiction staff to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of Pasadena on the growth forecast was received in October 2018. Following input, household totals remained unchanged.

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<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. RHNA identifies anticipated housing need over a specified eight-year planning period and requires that local jurisdictions make available sufficient zoning capacity to accommodate this need. A further discussion of the relationship between these processes may be found in Connect SoCal Master Response 1:

[https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

<sup>2</sup> A detailed list of data reviewed during this process may be found in each jurisdiction's Draft Data/Map Book:  
<https://scag.ca.gov/local-input-process-towns-cities-and-counties>

### ***b. RHNA Methodology Surveys***

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey (formerly known as the AB 2158 factor survey), Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. Surveys were due on April 30, 2019. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of Pasadena submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

### ***c. Connect SoCal Growth Vision and Additional Refinements***

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas (GHG) emissions from automobiles and light trucks to achieve the SCAG region's GHG emission reduction targets as provided by the California Air Resources Board (CARB) in accordance with state planning law.

Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections may be accessed at:

<https://scag.ca.gov/sites/main/files/file-attachments/growth-vision-methodology.pdf>

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process. As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. With the release of the draft Connect SoCal, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management (SPM-DM) site at: <http://spmDM.scag.ca.gov>. Updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. SCAG did not receive additional technical corrections from the City of Pasadena which differed from the Growth Vision.

## 2. Development of the Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG’s 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

*(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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG’s Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*“This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020: <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).*

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: “projected need”, which includes the number of housing units required to accommodate anticipated population growth over the eight-year RHNA planning period and, “existing need”, which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and ‘High Quality Transit Area’ (HQTA) population based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The RHNA methodology is described in further detail at:

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### 3. Draft RHNA Allocation for the City of Pasadena

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the COVID-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Pasadena received its draft RHNA allocation on September 11, 2020. Application of the RHNA methodology yields the draft RHNA allocation for the City of Pasadena as summarized in the data and calculations featured in the table below.

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<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (existing need) and would not result in a change in regional population. For further discussion, see Connect SoCal Master Response 1: [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf)

City of Pasadena Statistics and Inputs		Calculation of Draft RHNA Allocation for Pasadena	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	2,635	Forecasted household (HH) growth, RHNA period:	2,635
Percent of households who are renting:	56%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	92
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	7,540	TOTAL PROJECTED NEED:	2,727
Percent of regional jobs accessible in 30 minutes (2045): <i>(From the jurisdiction's median TAZ)</i>	12.86%	Existing need due to job accessibility (50%):	3,070
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal 2045 regional forecast of 10.049 million jobs)</i>	1,292,000	Existing need due to HQTAs pop share (50%):	3,035
Share of region's job accessibility (population weighted):	0.73%	Net residual factor for existing need:	577
		<i>(Negative values reflect a cap on lower-resourced communities with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTAs population (2045):	74,185	TOTAL EXISTING NEED:	6,681
Share of region's HQTAs population (2045):	0.73%	<b>TOTAL RHNA FOR THE CITY OF PASADENA:</b>	<b>9,408</b>
Share of population in low/very low-resource tracts:	27.98%	Very-low income (<50% of AMI):	2,740
Share of population in very high-resource tracts:	7.10%	Low income (50-80% of AMI):	1,659
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	1,562
		Above moderate income (>120% of AMI):	3,447

The transit accessibility measure is based on the population anticipated to live in 'High Quality Transit Areas' (HQTAs) in 2045 based on Connect SoCal's designation of HQTAs and population forecasts. With a forecasted 2045 population of 74,185 living within HQTAs, the City of Pasadena will represent 0.73 percent of the SCAG region's total 2045 HQTAs population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction's share of regional jobs accessible within a 30-minute commute time. Since over 80 percent of the region's workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal's travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs located within a specific jurisdiction. Specifically, the share of future (2045) regional jobs which may be reached in a 30-minute automobile commute from the local jurisdiction's median TAZ is used as to allocate

housing units based on job accessibility. From the City of Pasadena’s median TAZ, it will be possible to reach 12.86 percent of the region’s jobs in 2045 within a 30-minute automobile commute (1,292,000 jobs), based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs.

An additional factor was included in the methodology to account for RHNA Objective #5: to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered ‘disadvantaged communities’ (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as ‘residual need’, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities in a manner consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 557 units assigned to the City of Pasadena.

Please note that the above represents only a partial description of the key data and calculations used in the adopted RHNA methodology to generate a jurisdiction’s Draft RHNA Allocation.

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

Date: \_\_\_\_\_ Jurisdiction Subject to This Appeal Filing: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD)  
 \_\_\_\_\_

Filing Party Contact Name \_\_\_\_\_ Filing Party Email: \_\_\_\_\_  
 \_\_\_\_\_

**APPEAL AUTHORIZED BY:**

Name: \_\_\_\_\_

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region’s greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_



**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

**Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

**Brief Description of Appeal Request and Desired Outcome:**

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced \_\_\_\_\_ Added \_\_\_\_\_

**List of Supporting Documentation, by Title and Number of Pages**  
**(Numbers may be continued to accommodate additional supporting documentation):**

- 1.
- 2.
- 3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_



PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT  
PLANNING DIVISION

October 26, 2020

Southern California Association of Governments  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017

RE: City of Pasadena, RHNA Appeal Application

To Whom It May Concern:

The City of Pasadena appeals its RHNA allocation of 9,408 housing units through the 6th Cycle RHNA process based on the following grounds:

- A. Methodology. SCAG failed to determine the City of Pasadena's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that does not further and does undermine three of the five objectives of the RHNA process set forth in Government Code Section 65584(d).
- B. Changed Circumstances Regarding Housing Needs of a Private University. Since April 30, 2019, Fuller Theological Seminary has made the decision not to construct any additional housing for faculty and students, housing that had been accounted for in the City's growth projections. This condition warrants consideration in the RHNA calculation.

The attachments detail the City of Pasadena's appeal arguments.

If you have any questions, please feel free to call me at (626) 744-7171 or contact me at [davidreyes@cityofpasadena.net](mailto:davidreyes@cityofpasadena.net). Thank you for your consideration.

Sincerely,

DAVID M. REYES  
Director of Planning & Community Development  
City of Pasadena

**ATTACHMENT**  
**CITY OF PASADENA APPEAL**  
**6<sup>TH</sup> CYCLE REGIONAL HOUSING NEEDS ALLOCATION**

Government Code Section 65584.04(a) requires that the Southern California Association of Governments (SCAG) establish a methodology for distributing the Regional Housing Needs Allocation (RHNA) among its member cities and counties for the 6<sup>th</sup> Cycle Housing Element, and that such methodology further these objectives set forth in Government Code Section 65584(d):

- (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.

The City of Pasadena has reviewed SCAG's final RHNA methodology approved on March 5, 2020 and the resultant RHNA allocations. The City has also reviewed the *6<sup>th</sup> Cycle RHNA Appeal Procedures* published by SCAG, including the bases for appeal established by SCAG. Through this review, the City has identified discrepancies demonstrating that the methodology and its application run counter to specific objectives required by Government Code Section 65584(d), namely that the methodology and its application fail to:

- 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;
- Promote and encourage efficient development patterns, thus hindering the region's ability to achieve greenhouse gas reductions targets provided by the State Air Resources Board; and
- Promote an improved intraregional relationship between jobs and housing, particularly an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

**BASES FOR APPEAL**

The City of Pasadena hereby files this appeal based on two criteria adopted by SCAG:

- A. Methodology** – SCAG failed to determine the City of Pasadena’s share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that does not further and does undermine three of the five objectives listed in Government Code Section 65584(d).
- B. Changed Circumstances Regarding Housing Needs of a Private University** – Since April 30, 2019, Fuller Theological Seminary (a private graduate-level university) has made the decision not to construct any additional housing for faculty and students, housing that had been accounted for in the City’s growth projections. This condition warrants consideration in the RHNA calculation.

**A. Appeal Factor #1 – Failed Methodology Application**

**1. Disproportionate Distribution**

One of the key RHNA objectives is to increase the supply of housing throughout the region in an *equitable manner*. The City of Pasadena contests that the application of the adopted RHNA methodology fails to achieve this objective of equitable distribution.

Within the San Gabriel Valley Council of Governments (SGVCOG), several communities consistently receive apparent preferential treatment in the RHNA process, allowing those cities to continue to shoulder less than a fair-share responsibility for the region’s growing housing needs. For the 6<sup>th</sup> cycle, almost two-thirds of the RHNA allocation is based upon existing regional need. Much of this need has been created and exacerbated by long-standing policies of some of Pasadena’s neighbors to prevent the development of housing that would open their communities to lower-income residents, many of whom work in low-wage jobs in those cities’ homes, stores, and restaurants. The current RHNA methodology does nothing to entice these cities to change their practices or require them to make up for the lack of housing built in the past. Instead, the current existing need allocations burden those communities like Pasadena which have been most productive in building housing that the city and broader region need.

Communities within the same subregional COG, while they are not identical, do share many characteristics and locational/market conditions. The discrepancies in RHNA allocation among the SGVCOG communities have continued to further the exclusiveness of certain communities and exacerbated existing housing needs in others.

The 6<sup>th</sup> cycle RHNA includes two new existing needs components—overcrowding and cost burden. These two components constitute more than 60 percent of the 6<sup>th</sup> cycle RHNA and they are results of historical shortfalls in housing construction, especially affordable housing construction. Within the SGVCOG area, Pasadena has been a producer of housing and affordable housing. Unfortunately, the City’s diligence is rewarded with additional burden.

The RHNA allocation is not a fair representation of the work by some cities like Pasadena to meet the housing needs of its communities. The sections that follow use the data points from SCAG’s RHNA methodology dataset to illustrate how some of Pasadena’s neighbors in the San Gabriel Valley and

Arroyo Verdugo subregions have maintained economic exclusivity and racial homogeneity, to the detriment of the broader region’s goals regarding equity and access.

Some of the historically more exclusive neighbors have the highest housing costs in the region, the fewest available affordable rental units, and the least number of multi-family units. Even in these “exclusive” cities, one in three households is burdened by the costs of housing. The ratio of low-wage jobs to affordable housing is exponentially higher in some of these cities than that of the region. Yet, these communities have issued the fewest number of development permits over the last two decades—permits needed to provide for the growing need in their cities and in the region for affordable housing.

**Housing Affordability.** Some of Pasadena’s most exclusive neighbors in region have some of the highest median housing prices and largest proportion of mortgages of \$4,000 per month or greater. Chart 1 on the following page highlights the cities in the San Gabriel Valley and Arroyo Verdugo subregions which had the highest median sale price in 2018. It also shows which of these communities have the fewest affordable rental units; while the regional average is 78.5 percent of units \$2,000 or below, several cities have fewer than 30 percent of rental units that are affordable. Some have no or very few rentals available below \$1,500.

**Low Wage Jobs (LWJ) to Affordable Housing (AH).** Looking at these same cities, the ratio of available affordable housing to the number of low-wage jobs in these communities is off the charts. SCAG’s LWJ-AH ratio is 0.94, or less than one low-wage job per affordable unit. Several of Pasadena’s neighbors have many fewer affordable units than low-wage jobs in their jurisdictions.

**Cost Burdened Households.** Unsurprisingly, these same communities have some of the lowest numbers of cost burdened households in the region (see yellow highlighted columns in Chart 2 below). However, while not as high as the region, more than one-third or more of households in most cities in the region pay 30 percent or more of their incomes toward housing costs.

**Percent of Extremely Low-Income Residents.** Some of Pasadena’s more exclusive neighbors have the fewest rates of extremely low-income residents across the San Gabriel Valley; in several cities, less than 10 percent of residents are considered extremely low income (see Chart 2). Those cities highlighted in red in Chart 2 represent the jurisdictions that have the lowest representation of households in poverty and/or extremely low-income residents.

**Chart 1: Housing Cost, and Jobs to Housing ratios, SGV and AV cities**

City	Median Housing Sale Price, 2018	Mortgage \$4000+ per month	Percent of rental units with rents below \$2000 per month	Jobs to Housing Ratio (2015/2017)*	Low Wage Jobs to Affordable Housing Units (2015/2017)*
Alhambra	\$641,250	3.9%	85.5%	0.80	0.69
Arcadia	\$1,050,000	21.4%	73.3%	1.34	2.39
Azusa	\$468,250	4.2%	83.7%	1.29	1.19
Baldwin Park	\$445,000	0.5%	83.6%	0.99	0.92
Bradbury	\$1,355,000	37.9%	5.3%	0.34	5.80
Burbank	\$755,000	10.7%	72.6%	3.36	4.27
Covina	\$525,000	2.9%	81.0%	1.27	1.37
Diamond Bar	\$660,000	6.9%	48.3%	0.95	6.89
Duarte	\$490,000	1.7%	75.0%	1.50	1.52
El Monte	\$510,500	0.5%	93.1%	0.93	0.43
Glendale	\$790,000	15.8%	79.1%	1.17	0.95
Glendora	\$587,000	6.8%	69.2%	0.89	2.03
Industry	\$275,000	0.0%	95.6%	804.33	156.75
Irwindale	\$460,000	0.0%	77.1%	41.87	30.21
La Cañada Flintridge	\$1,735,000	44.3%	20.1%	0.85	16.76
La Puente	\$465,000	0.0%	85.0%	0.50	0.62
Monrovia	\$685,000	9.0%	80.6%	1.30	0.97
Montebello	\$505,000	1.6%	91.2%	1.09	0.69
Monterey Park	\$608,000	2.8%	80.6%	1.46	1.15
Pasadena	\$807,000	16.8%	68.5%	1.87	1.34
Pomona	\$424,000	0.8%	88.7%	1.06	0.68
Rosemead	\$570,500	4.0%	86.7%	1.04	0.97
San Dimas	\$590,000	4.5%	64.9%	1.55	3.56
San Gabriel	\$745,000	5.8%	79.6%	0.93	1.01
San Marino	\$2,117,500	39.2%	25.2%	0.74	764.00
Sierra Madre	\$959,500	23.9%	81.9%	0.48	0.64
South El Monte	\$497,500	0.7%	91.1%	2.89	1.68
South Pasadena	\$1,095,000	28.4%	75.3%	0.64	1.05
Temple City	\$798,000	5.6%	72.3%	0.52	1.07
Walnut	\$746,000	10.7%	28.9%	0.88	13.24
West Covina	\$545,000	3.3%	79.3%	0.83	1.96
			SCAG	1.16	0.94

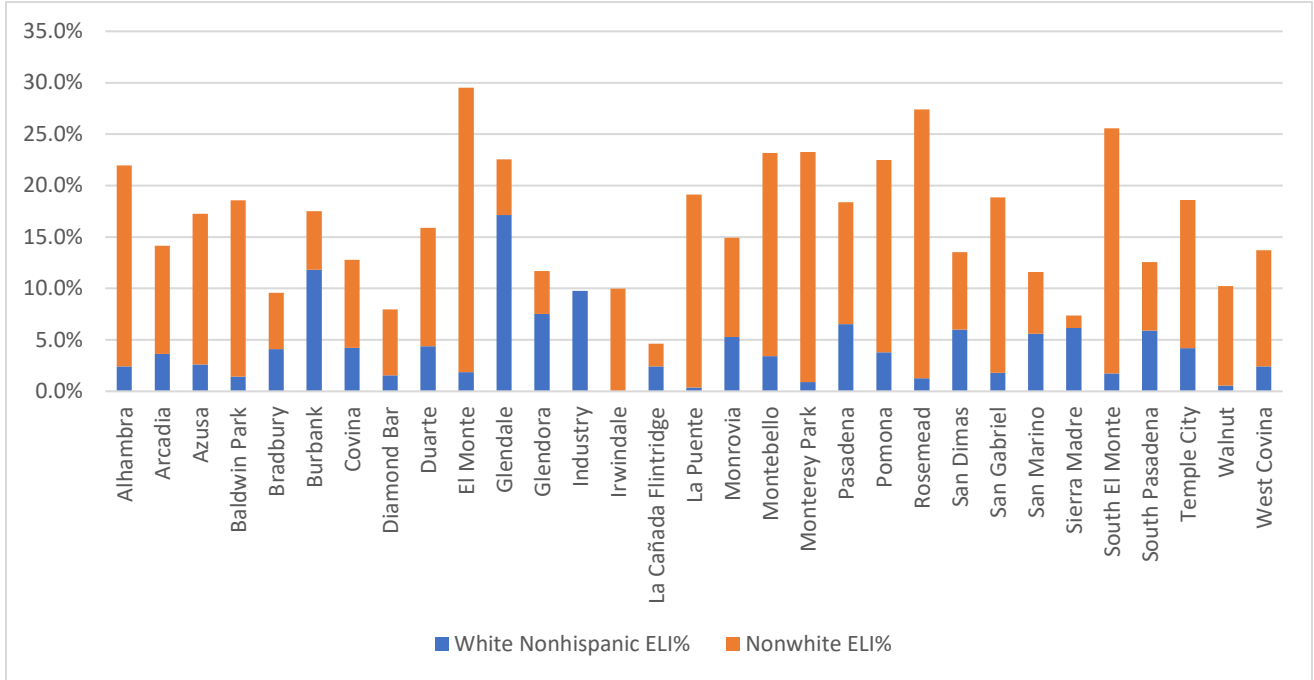
\* These are SCAG calculations based upon historical jobs data from U.S. Census Bureau's LEHD Origin-Destination Employment Statistics Data (LODES version 7.3) Workplace Area Characteristics (WAC) Primary Jobs data files for 2015, and historical housing data from U.S. Census Bureau's 2013-2017 American Community Survey 5-Year Estimates; see SCAG's Final RHNA Data Appendix, March 5, 2020, pp.195-204.

**Chart 2: Housing Cost burden for Extremely Low-Income Residents and Households in Poverty**

City	% of HHs low income and cost burdened (income below median, 30%+ housing costs)	Total cost burdened HHs	Residents: Nonwhite ELI%	Residents: ELI%	% HHs in Poverty	% Black NonH HHs	% Hispanic HHs
Alhambra	28.8%	43%	19.5%	21.9%	7.8%	2.0%	32.7%
Arcadia	19.0%	38%	10.5%	14.2%	6.1%	1.7%	10.9%
Azusa	27.5%	43%	14.7%	17.3%	8.8%	3.3%	57.1%
Baldwin Park	29.3%	45%	17.2%	18.6%	10.2%	1.5%	69.7%
Bradbury	6.8%	39%	5.5%	9.6%	5.5%	3.4%	9.6%
Burbank	22.7%	44%	5.7%	17.5%	4.0%	2.4%	20.1%
Covina	21.8%	41%	8.5%	12.8%	4.4%	4.5%	47.9%
Diamond Bar	16.1%	35%	6.4%	8.0%	3.9%	4.9%	15.7%
Duarte	21.8%	40%	11.5%	15.9%	5.2%	7.6%	33.7%
El Monte	41.6%	54%	27.7%	29.5%	13.8%	0.6%	62.6%
Glendale	31.7%	49%	5.4%	22.6%	7.9%	1.5%	15.1%
Glendora	17.3%	37%	4.2%	11.7%	5.0%	2.0%	24.3%
Industry	9.8%	20%	0.0%	9.8%	7.3%	0.0%	34.1%
Irwindale	28.3%	46%	10.0%	10.0%	4.5%	0.0%	87.7%
La Cañada Flintridge	10.4%	34%	2.2%	4.6%	1.8%	0.0%	5.6%
La Puente	27.2%	41%	18.8%	19.1%	13.3%	1.1%	78.6%
Monrovia	23.5%	42%	9.6%	14.9%	4.1%	8.3%	30.0%
Montebello	34.7%	49%	19.7%	23.2%	8.3%	0.9%	73.3%
Monterey Park	29.8%	45%	22.4%	23.3%	8.6%	0.5%	24.1%
Pasadena	23.7%	42%	11.9%	18.4%	5.5%	11.1%	23.5%
Pomona	32.9%	48%	18.7%	22.5%	12.6%	8.0%	60.6%
Rosemead	36.0%	49%	26.1%	27.4%	11.4%	0.2%	33.4%
San Dimas	18.0%	38%	7.5%	13.5%	3.6%	3.2%	26.3%
San Gabriel	29.6%	46%	17.0%	18.9%	7.4%	1.0%	23.8%
San Marino	11.3%	37%	6.0%	11.6%	6.1%	0.5%	5.5%
Sierra Madre	12.0%	32%	1.2%	7.4%	2.7%	1.5%	11.3%
South El Monte	35.0%	48%	23.8%	25.6%	11.5%	0.0%	82.3%
South Pasadena	16.1%	37%	6.7%	12.6%	3.7%	3.2%	18.5%
Temple City	22.7%	41%	14.4%	18.6%	7.4%	0.7%	17.7%
Walnut	13.1%	35%	9.7%	10.2%	4.6%	3.0%	18.9%
West Covina	21.7%	41%	11.3%	13.7%	5.2%	5.2%	46.8%

**Race and Ethnicity.** Looking at the race and ethnicity of residents in neighboring cities, these numbers are even starker. Chart 2 above shows that several of Pasadena’s economically exclusive neighbors are also racially homogenous. Figure 1 below shows where white and non-white extremely low-income residents reside in the San Gabriel Valley and Arroyo Verdugo subregions, and which jurisdictions have the lowest rates of nonwhite extremely low-income residents in their communities.

**Figure 1: Extremely Low-Income (ELI) Residents by Race/Ethnicity**



**Ownership Versus Rentals.** Another way to look at whether neighboring cities are doing their part is to look at the makeup of housing in their cities. In Chart 3 below, data highlighted in yellow represent more than 80 percent of available housing stock as owner or rental occupied units. Cities with a majority of owner-occupied units may price out a fairly large segment of the population who cannot afford the down payment to buy a home, especially one in these more expensive communities.

**Vacancy Rates.** The vacancy rates listed in Chart 3 show the demand for housing in these communities, as well as their ability to provide enough housing to meet local demand. The vacancy rate for rentals and for sale units highlighted in red show several cities with rates near or at zero percent, well below the regional average of 3.0 percent for rentals, and 1.0 percent for units for sale. The State of California’s Housing and Community Development Department recommends a 5.0 percent rental units vacancy rate and 1.5 percent vacancy rate for units for sale.



**Chart 3: Owner and Renter Occupied Units - Rental and Vacancy Rates**

City	Owner Occupied Total units	Renter Occupied Total Units	Percent Rentals of Subregion	Vacancy Rate (Rentals)	Vacancy Rate (For Sale)
Alhambra	39.1%	60.9%	6.5%	1.3%	1.4%
Arcadia	59.0%	41.0%	2.9%	3.7%	1.3%
Azusa	52.1%	47.9%	2.2%	2.6%	2.7%
Baldwin Park	56.3%	43.7%	2.8%	2.4%	0.9%
Bradbury	80.5%	19.5%	0.0%	7.0%	9.8%
Burbank	41.8%	58.2%	8.7%	2.7%	1.0%
Covina	55.6%	44.4%	2.5%	2.2%	2.0%
Diamond Bar	75.8%	24.2%	1.5%	3.9%	0.9%
Duarte	64.4%	35.6%	0.9%	4.6%	0.7%
El Monte	41.2%	58.8%	6.3%	4.3%	1.3%
Glendale	32.9%	67.1%	18.0%	2.6%	0.3%
Glendora	70.1%	29.9%	1.8%	4.5%	0.8%
Industry	17.1%	82.9%	0.0%	0.0%	0.0%
Irwindale	72.4%	27.6%	0.0%	0.0%	0.0%
La Cañada Flintridge	89.5%	10.5%	0.3%	3.8%	0.5%
La Puente	57.8%	42.2%	1.4%	2.3%	0.9%
Monrovia	46.8%	53.2%	2.5%	4.2%	0.4%
Montebello	43.3%	56.7%	4.0%	5.2%	0.1%
Monterey Park	52.2%	47.8%	3.4%	1.6%	0.5%
Pasadena	43.0%	57.0%	11.2%	3.3%	1.6%
Pomona	52.3%	47.7%	6.8%	1.7%	1.6%
Rosemead	47.7%	52.3%	2.8%	1.6%	0.0%
San Dimas	72.1%	27.9%	1.2%	4.7%	2.0%
San Gabriel	44.6%	55.4%	2.4%	3.1%	2.2%
San Marino	86.4%	13.6%	0.2%	0.0%	0.0%
Sierra Madre	62.0%	38.0%	0.6%	5.3%	1.8%
South El Monte	47.6%	52.4%	1.0%	1.8%	0.0%
South Pasadena	46.7%	53.3%	1.9%	5.1%	2.3%
Temple City	60.4%	39.6%	1.6%	3.2%	1.1%
Walnut	84.8%	15.2%	0.5%	3.1%	0.4%
West Covina	64.1%	35.9%	4.0%	5.1%	0.5%
<b>Total</b>	<b>50.4%</b>	<b>49.6%</b>	<b>100.0%</b>	<b>3.0%</b>	<b>1.0%</b>

**Overcrowding.** Chart 4 below shows that several exclusive cities are not experiencing as high rates of renter overcrowding as other less well-off neighbors, and they also have far fewer larger households, especially among families looking for rental units.

**Chart 4: Overcrowding and Large Households**

City	Percent Overcrowding, Owner Occupied Units	Percent Overcrowding, Renter Occupied Units	Percent Overcrowding, All units	Percent Rental Households with 5+ people	Percent Owner Households with 5+ people
Alhambra	6.2%	15.6%	11.9%	5.7%	4.3%
Arcadia	1.3%	6.6%	3.5%	3.4%	7.2%
Azusa	7.6%	19.4%	13.2%	11.0%	9.2%
Baldwin Park	15.4%	25.6%	19.9%	13.1%	16.3%
Bradbury	0.0%	0.0%	0.0%	1.7%	9.9%
Burbank	2.4%	7.4%	5.3%	3.3%	3.3%
Covina	3.0%	11.5%	6.8%	7.7%	8.5%
Diamond Bar	1.7%	7.8%	3.1%	3.5%	8.6%
Duarte	7.6%	6.8%	7.3%	4.8%	10.8%
El Monte	11.1%	28.0%	21.0%	15.9%	10.5%
Glendale	3.0%	9.0%	7.0%	4.1%	3.2%
Glendora	2.5%	7.1%	3.9%	3.7%	7.9%
Industry	0.0%	16.2%	13.4%	28.0%	6.1%
Irwindale	5.1%	14.3%	7.6%	7.1%	20.7%
La Cañada Flintridge	1.0%	2.5%	1.1%	1.2%	10.6%
La Puente	13.4%	26.2%	18.8%	14.3%	20.3%
Monrovia	1.5%	7.8%	4.8%	6.6%	3.9%
Montebello	5.0%	18.0%	12.4%	9.7%	7.2%
Monterey Park	4.2%	17.0%	10.3%	6.0%	5.2%
Pasadena	2.1%	9.1%	6.1%	4.7%	3.6%
Pomona	10.5%	24.8%	17.3%	13.0%	13.0%
Rosemead	11.3%	27.4%	19.7%	12.0%	10.1%
San Dimas	2.9%	1.8%	2.6%	3.2%	9.3%
San Gabriel	7.1%	12.1%	9.8%	7.6%	7.2%
San Marino	0.7%	3.4%	1.1%	1.8%	5.4%
Sierra Madre	2.7%	1.5%	2.3%	0.5%	4.7%
South El Monte	11.0%	26.6%	19.2%	17.2%	12.2%
South Pasadena	0.9%	4.0%	2.5%	2.2%	3.4%
Temple City	4.3%	15.4%	8.7%	5.0%	8.5%
Walnut	1.4%	7.7%	2.4%	3.8%	11.7%
West Covina	4.1%	15.2%	8.1%	7.4%	12.6%
<b>Total</b>	<b>5.0%</b>	<b>13.9%</b>	<b>9.4%</b>	<b>6.9%</b>	<b>7.5%</b>

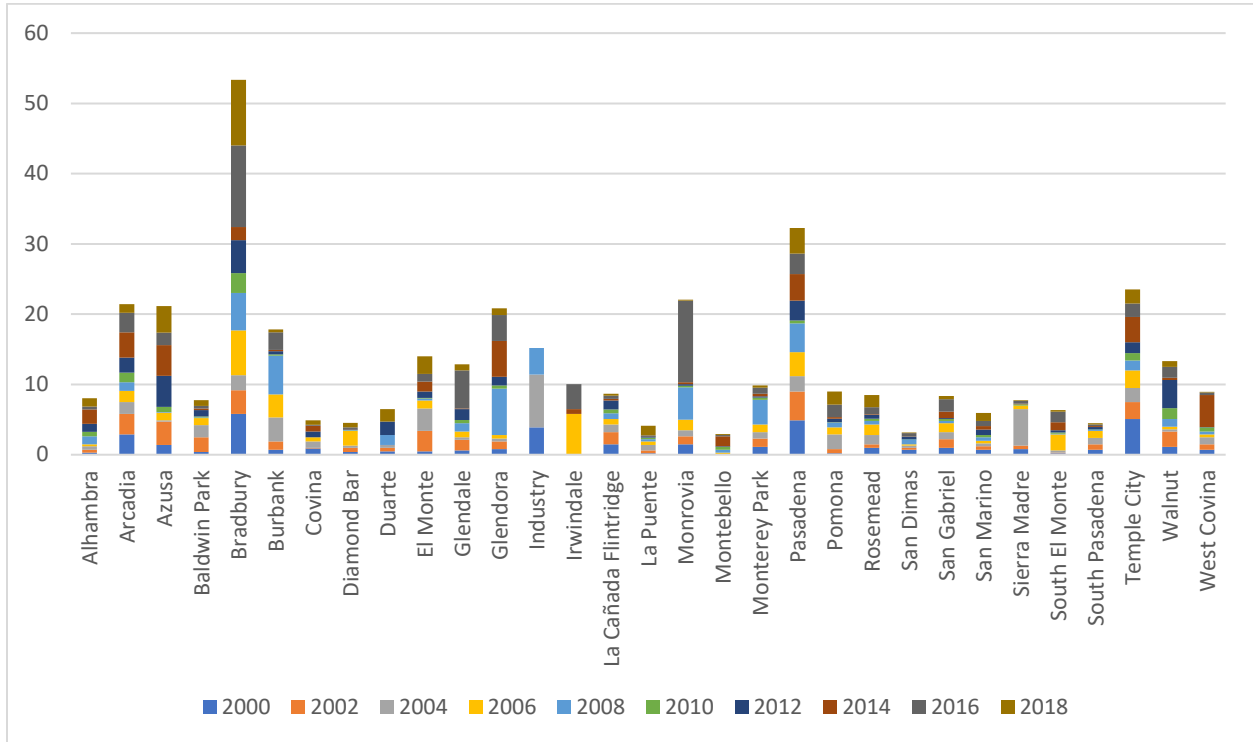
**Change in Housing Units.** Looking at the number of housing units in these communities over the last two decades, one can see which of Pasadena’s neighbors have been taking on their fair share of developing the housing the region needs. Chart 5 below displays the total change in units from 2000 to 2020 among single-family and multi-family units in the region. Pasadena has developed the most units of multi-family housing among cities in San Gabriel Valley and Arroyo Verdugo, and the second largest number of single-family units. More exclusive neighbors have developed far less. Some communities highlighted in red have had negative unit changes over this period.

**Chart 5: Change in Single-Family and Multi-Family Units and Permits Issued**

City	Single Family Units: Change, 2000 to 2020	Multi-Family Units: Change, 2000 to 2020	Total Permits Issued, 2000 to 2018	Permits per 1000 Residents, 2000 to 2018	Proportion of total permits by City	Total Multi-Family Permits Issued, 2000 to 2018	Proportion of total Multi-Family permits by City
Alhambra	1678	129	696	8.0	3.0%	528	3.8%
Arcadia	1531	-238	1191	21.4	5.1%	226	1.6%
Azusa	1249	424	1006	21.2	4.3%	306	2.2%
Baldwin Park	485	161	605	7.8	2.6%	83	0.6%
Bradbury	88	9	54	53.4	0.2%	0	0.0%
Burbank	182	1926	1852	17.8	7.9%	1495	10.8%
Covina	711	-213	239	4.9	1.0%	83	0.6%
Diamond Bar	222	584	258	4.5	1.1%	0	0.0%
Duarte	495	126	141	6.5	0.6%	44	0.3%
El Monte	2108	-381	1670	14.0	7.1%	929	6.7%
Glendale	1568	5785	2575	12.9	11.0%	2396	17.3%
Glendora	1180	376	1071	20.8	4.6%	749	5.4%
Industry	-66	6	12	15.2	0.1%	0	0.0%
Irwindale	46	-12	15	10.0	0.1%	0	0.0%
La Cañada Flintridge	44	39	182	8.7	0.8%	3	0.0%
La Puente	354	-46	178	4.1	0.8%	16	0.0%
Monrovia	1012	72	838	22.1	3.6%	587	4.2%
Montebello	544	58	187	3.0	0.8%	138	1.0%
Monterey Park	455	507	620	9.9	2.6%	249	1.8%
Pasadena	1691	6873	4444	32.2	18.9%	4133	29.8%
Pomona	793	1158	1404	9.0	6.0%	577	4.2%
Rosemead	910	42	476	8.5	2.0%	138	1.0%
San Dimas	-542	334	115	3.1	0.5%	0	0.0%
San Gabriel	1033	-342	346	8.4	1.5%	61	0.4%
San Marino	41	23	79	6.0	0.3%	2	0.0%
Sierra Madre	280	-50	85	7.8	0.4%	51	0.4%
South El Monte	376	-34	138	6.4	0.6%	4	0.0%
South Pasadena	-30	353	114	4.5	0.5%	46	0.3%
Temple City	682	-36	823	23.5	3.5%	247	1.8%
Walnut	559	104	403	13.3	1.7%	0	0.0%
West Covina	560	304	961	9.0	4.1%	520	3.8%

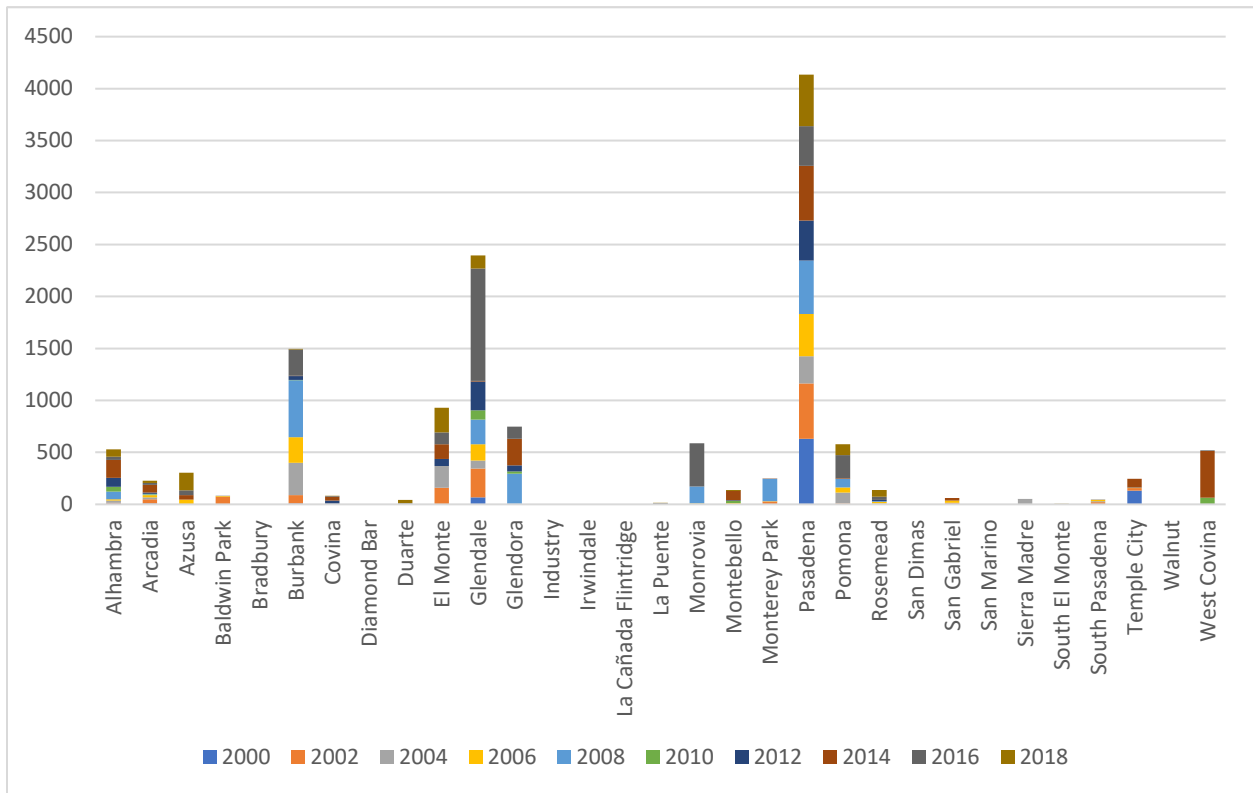
**Total Permits Issued.** Chart 5 on the previous page and the graphs below show which cities have been issuing the most and the least number of permits over the last two decades. Pasadena accounts for nearly 19 percent of all permits issued between 2000 and 2018 and has issued a total of 32 permits per 1,000 residents between 2000 and 2018 (see Graph 2 below). Several cities in the region have issued fewer than 100 single or multi-family permits during this period and represent less than one percent of the total permits issued in the San Gabriel Valley and Arroyo Verdugo subregions over this time.

**Figure 2: Total Permits per 1,000 Residents**



Pasadena accounts for nearly one in three of all multi-family permits in the region issued between 2000 and 2018 (see green highlight in Chart 5 above and Figure 3 below). Only two other cities—Burbank and Glendale—come close. Pasadena’s immediate neighbors have issued very few multi-family permits in the last two decades (see Figure 3).

**Figure 3: Total Multi-Family Permits Issued, 2000 to 2018**



To address these shortfalls in an equitable manner and to ensure that the San Gabriel Valley and Arroyo Verdugo subregions do not repeat the same mistakes as in previous RHNA cycles, communities that had an easy pass in the past should be assigned a heavier responsibility in the 6<sup>th</sup> cycle.

**FAIR SHARE REDUCTION REQUEST**

The sum of “discounts” from “fair proportional share” among the 18 jurisdictions in the SGVCOG is 14,776 units (Column 7 in Chart 6 below). The City of Pasadena’s RHNA represents 10.97 percent of the SGVCOG RHNA. The City requests a reduction of **1,621 units**, assuming a proportional distribution of these “discounts” would occur among the 28 members of the SGVCOG.

**Chart 6: Proportional Fair Share versus RHNA**

City	Pop (2020)	% of Pasadena Pop	6th RHNA	% of SGVCOG RHNA	Proportional 6th RHNA based on Population	Difference RHNA from Proportionally Fair Allocation	2010 population	5th cycle RHNA	Proportional 5th RHNA based on Population	Difference RHNA from Proportionally Fair Allocation
Pasadena	144,842	100%	9,408	10.97%	9,408		137,122	1,332	1,332	
Alhambra	86,792	59.92%	6,808	7.94%	5,637	1,171	83,089	1,492	807	685
Arcadia	57,212	39.50%	3,206	3.74%	3,716	(510)	56,364	1,054	548	506
Azusa	49,658	34.28%	2,646	3.09%	3,225	(579)	46,361	779	450	329
Baldwin Park	76,252	52.64%	1,996	2.33%	4,953	(2,957)	75,390	557	732	(175)
Bradbury	1,052	0.73%	41	0.05%	68	(27)	1,048	2	10	(8)
Covina	48,846	33.72%	1,905	2.22%	3,173	(1,268)	47,796	230	464	(234)
Diamond Bar	57,177	39.48%	2,516	2.93%	3,714	(1,198)	55,544	1,146	540	606
Duarte	21,673	14.96%	886	1.03%	1,408	(522)	21,321	337	207	130
El Monte	116,675	80.55%	8,481	9.89%	7,578	903	113,475	2,142	1,102	1,040
Glendora	52,067	35.95%	2,270	2.65%	3,382	(1,112)	50,073	646	486	160
Industry	427	0.29%	17	0.02%	28	(11)	451	0	4	(4)
Irwindale	1,434	0.99%	118	0.14%	93	25	1,422	15	14	1
La Puente	40,568	28.01%	1,924	2.24%	2,635	(711)	39,816	818	387	431
Monrovia	37,935	26.19%	1,665	1.94%	2,464	(799)	36,590	389	355	34
Montebello	63,544	43.87%	5,174	6.03%	4,127	1,047	62,500	1,066	607	459
Monterey Park	60,734	41.93%	5,245	6.12%	3,945	1,300	60,269	815	585	230
Pomona	154,817	106.89%	10,534	12.28%	10,056	478	149,058	3,626	1,448	2,178
Rosemead	54,363	37.53%	4,601	5.37%	3,531	1,070	53,764	602	522	80
San Dimas	33,945	23.44%	1,245	1.45%	2,205	(960)	33,371	463	324	139
San Gabriel	40,104	27.69%	3,017	3.52%	2,605	412	39,718	930	386	544
San Marino	13,087	9.04%	397	0.46%	850	(453)	13,147	2	128	(126)
Sierra Madre	10,816	7.47%	204	0.24%	703	(499)	10,917	55	106	(51)
South El Monte	21,204	14.64%	576	0.67%	1,377	(801)	20,116	172	195	(23)
South Pasadena	25,458	17.58%	2,062	2.40%	1,654	408	25,619	63	249	(186)
Temple City	36,150	24.96%	2,182	2.54%	2,348	(166)	35,558	603	345	258
Walnut	29,929	20.66%	1,292	1.51%	1,944	(652)	29,172	908	283	625
West Covina	105,999	73.18%	5,334	6.22%	6,885	(1,551)	106,098	831	1,031	(200)
		0.0649535				(14,776)		0.00971398		
		85,750		100.00%						

**2. Residual Need**

The RHNA methodology includes a redistribution of the *residual need*, which is defined as the increment of RHNA above the total housing need (RHNA) in excess of household growth between 2020 and 2045. For extremely disadvantaged communities (DACs), the residual need is subtracted from these communities’ RHNA and added to other jurisdictions. In some case, between the “discounts” from disproportionate share and the elimination of residual need, a community’s RHNA could be less than 50 percent of what it would have otherwise been assigned. While the City of Pasadena recognizes the challenges these DACs may face, relieving these communities from any responsibility to address their existing housing needs seems inappropriate.

Furthermore, SCAG’s methodology is to keep the residual needs within each county, not within each subregion. This means the “excess need” in one subregion can be shifted to another subregion, as in the case of the SGVCOG. The eliminated residual need from SGVCOG is 2,946 unit, yet the subregion received a redistribution of 4,235 units. This shifting of housing needs is not consistent with the RHNA and RTP/SCS objectives to achieve jobs/housing balance, reduce vehicle miles traveled, and attain greenhouse gas reduction targets.

**Chart 7: Residual Need**

City	Pop (2020)	% of Pasadena Pop	6th RHNA	% of SGVCOG RHNA	Proportional 6th RHNA based on Population	Difference RHNA from Proportionally Fair Allocation	SCAG Residual	SCAG Redistributed
Pasadena	144,842	100%	9,408	10.97%	9,408		0	577
Alhambra	86,792	59.92%	6,808	7.94%	5,637	1,171	0	525
Arcadia	57,212	39.50%	3,206	3.74%	3,716	(510)	0	141
Azusa	49,658	34.28%	2,646	3.09%	3,225	(579)	0	150
Baldwin Park	76,252	52.64%	1,996	2.33%	4,953	(2,957)	1,566	0
Bradbury	1,052	0.73%	41	0.05%	68	(27)	0	2
Covina	48,846	33.72%	1,905	2.22%	3,173	(1,268)	0	135
Diamond Bar	57,177	39.48%	2,516	2.93%	3,714	(1,198)	0	130
Duarte	21,673	14.96%	886	1.03%	1,408	(522)	0	58
El Monte	116,675	80.55%	8,481	9.89%	7,578	903	468	0
Glendora	52,067	35.95%	2,270	2.65%	3,382	(1,112)	0	140
Industry	427	0.29%	17	0.02%	28	(11)	0	1
Irwindale	1,434	0.99%	118	0.14%	93	25	40	0
La Puente	40,568	28.01%	1,924	2.24%	2,635	(711)	0	154
Monrovia	37,935	26.19%	1,665	1.94%	2,464	(799)	0	92
Montebello	63,544	43.87%	5,174	6.03%	4,127	1,047	0	386
Monterey Park	60,734	41.93%	5,245	6.12%	3,945	1,300	0	386
Pomona	154,817	106.89%	10,534	12.28%	10,056	478	0	0
Rosemead	54,363	37.53%	4,601	5.37%	3,531	1,070	0	333
San Dimas	33,945	23.44%	1,245	1.45%	2,205	(960)	0	103
San Gabriel	40,104	27.69%	3,017	3.52%	2,605	412	0	167
San Marino	13,087	9.04%	397	0.46%	850	(453)	0	29
Sierra Madre	10,816	7.47%	204	0.24%	703	(499)	0	15
South El Monte	21,204	14.64%	576	0.67%	1,377	(801)	872	0
South Pasadena	25,458	17.58%	2,062	2.40%	1,654	408	0	154
Temple City	36,150	24.96%	2,182	2.54%	2,348	(166)	0	90
Walnut	29,929	20.66%	1,292	1.51%	1,944	(652)	0	100
West Covina	105,999	73.18%	5,334	6.22%	6,885	(1,551)	0	366
			0.0649535			(14,776)	2,946	4,235
			85,750	100.00%				

**RESIDUAL NEED REDUCTION REQUEST**

The City of Pasadena requests that the residual need be contained within the same subregion to ensure consistency with State and SCAG objectives. The City requests a reduction of **176 units** in residual redistribution from 577 units to 401 units, taking a proportional reduction.

## B. Appeal Factor #2 - Changed Circumstances and Housing Needs of a Private University

The City of Pasadena is home to five colleges and universities: Pasadena City College, Pacific Oaks College, Art Center College of Design, California Institute of Technology, and Fuller Theological Seminary. The latter three have adopted master plans that include housing components for students and faculty. The growth plans of these institutions are accounted for in Pasadena's General Plan, as they contribute significant local jobs and place demands on the housing stock.

At the time the General Plan was adopted in 2015, Fuller Theological Seminary, which offers Master's-level and higher degrees, was an integral part of the Pasadena community, and its 2006 Master Plan adopted by the City of Pasadena supported the college's plan to build an additional 514 residential units for faculty and students; approximately 264 units exist today. In 2018, however, Fuller initiated a process to relocate its Pasadena campus to the city of Pomona, largely to reduce financial stress. Restriction on the sale and reuse of the Pasadena campus properties, as dictated by the Master Plan, stalled and eventually put a stop to the move. Fuller will remain in Pasadena for the foreseeable future, but college officials have indicated that no new housing construction will occur due to declining enrollment and a reduction in offered programs.

This change in circumstances—declining enrollment at Fuller and reduced housing growth needs—means that demand for lower-income and moderate-income housing units will be reduced. This factor needs to be accounted for in SCAG's methodology.

### CHANGED CIRCUMSTANCES REDUCTION REQUEST

The City of Pasadena requests that the growth needs associated with Fuller Theological Seminary's modified growth plan be accounted for in the methodology. The delta between the number of existing units—264— and the 514 new units allowed by the Master Plan is 250 units, most of which would be occupied by lower-income households. Pasadena requests a RHNA reduction of 250 units due to these changed circumstances.

### RHNA REDUCTION REQUEST

Based on the above discussion and analysis, the City of Pasadena argues that a reduction in its RHNA by **2,047 units** can be supported to: 1) distribute housing in an equitable manner that furthers efficient development patterns, better achieves low-wage jobs/affordable housing balance, and moves the region toward achieving greenhouse gas reduction targets; and 2) account for changed circumstances regarding reduced growth needs.



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

2020 W. El Camino Ave  
Sacramento, CA 95833-1829  
916) 263-2911 FAX: (916) 263-7453  
www.hcd.ca.gov



December 10, 2020

Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

Dear Executive Director Ajise:

**RE: Comment on Appeals of the Draft Regional Housing Need Allocation (RHNA) Plan**

Thank you for the opportunity to comment on the 52 appeals Southern California Association of Governments (SCAG) has received regarding the draft RHNA plan. The appeal process is an important phase in the development of a RHNA plan that ensures that all relevant factors and circumstances are considered.

The only circumstances under which a jurisdiction can appeal are:

- 65584.05(b)(1): The council of governments failed to adequately consider the information regarding the factors listed in subdivision (e) of section 65584.04.
- 65584.05(b)(2): The council of governments failed to determine the share of the regional housing need in a manner that furthers the intent of the objectives listed in subdivision (d) of section 65584.
- 65584.05(b)(3): A significant unforeseen change in circumstances occurred in the local jurisdiction that merits a revision of the information submitted pursuant to subdivision (e) of Section 65584.04.

The California Department of Housing and Community Development (HCD) urges SCAG to only consider appeals that meet these criteria.

Per Government Code section 65584.05(e)(1), SCAG's final determination on whether to accept, reject, or modify any appeal must be accompanied by written findings, including how the final determination is based upon the adopted RHNA allocation methodology, and how any revisions are necessary to further the statutory objectives of RHNA described in Government Code section 65584(d).

Among the appeals based on Government Code section 65584.05(b)(1), several appeals state that SCAG failed to consider the factor described in Government Code section 65584.04(e)(2)(B), citing the lack of land suitable for development as a basis for the appeal. However, this section states the council of governments may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and

land use restrictions. Any comparable data or documentation supporting this appeal should contain an analysis of not only land suitable for urban development, but land for conversion to residential use, the availability of underutilized land, and opportunity for infill development and increased residential densities. In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.

With regard to appeals submitted related to Government Code section 65584.05(b)(2), that SCAG failed to determine the RHNA in a manner that furthers the statutory objectives, it should be noted that HCD reviewed SCAG's draft allocation methodology and found that the draft RHNA allocation methodology furthered the statutory objectives described in Government Code section 65584.

Among the appeals based on Government Code section 65584.05(b)(2), several contend that the cap on units allocated to extremely disadvantaged communities (DACs) does not further RHNA's statutory objectives. This cap furthers the statutory objective to affirmatively further fair housing by allocating more units to high opportunity areas and fewer units to low resource communities, and concentrated areas of poverty with high levels of segregation. Due to the inclusion of this factor, as well as the use of TCAC/HCD Opportunity Maps, SCAG's methodology allocates 14 of the top 15 highest shares of lower-income RHNA to jurisdictions with over 99.95 percent High and Highest Resource areas. With the exceptions of two jurisdictions, the 31 jurisdictions with the highest share of lower-income RHNA are all over 95 percent High and Highest Resource areas. Any weakening of these inputs to the methodology could risk not fulfilling the statutory objective to affirmatively further fair housing.

Several appeals argue that SCAG's RHNA allocation methodology does not adequately promote access to jobs and transit, as required in objectives two and three. HCD's review of SCAG's RHNA methodology found the allocation does further the environmental principles of objective two. SCAG's overall allocation includes significant weight related to the location of high-quality transit areas and the regional distribution of jobs that can be accessed within a 30-minute driving commutes. Regarding objective three, HCD's analysis as to whether jobs-housing fit was furthered by SCAG's draft methodology found that across all jurisdictions there is generally good alignment between low-wage jobs and lower-income RHNA, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower-income RHNA for the region and their percentage low-wage jobs for the region.

Several appeals are based upon the provision described in Government Code section 65584.05(b)(3), arguing that the COVID-19 pandemic represents a significant and unforeseen change in circumstances that will affect future population and job growth. Ensuring everyone has a home is critical to public health. Reducing and preventing overcrowding and homelessness are essential concerns for every community. The COVID-19 pandemic has only increased the importance that each community is planning for sufficient affordable housing.

Lastly, several appeals state that the Regional Housing Needs Determination (RHND) HCD provided to the SCAG region is too large. SCAG submitted an objection to the RHND at the appropriate time and through the appropriate process. HCD considered those objections and [determined the final RHND for 6<sup>th</sup> Housing Element Cycle for the SCAG region on October 15, 2019](#). There are no further appeal procedures available to alter the SCAG region's RHND for this cycle. Government Code section 65584.05(b) does not allow local governments to appeal the RHND during the 45-day period following receipt of the draft allocation.

HCD acknowledges that many local governments will need to plan for more housing than in the prior cycle to accommodate a RHND that more fully captures the housing need and as the statutory objectives of RHNA shift more housing planning near jobs, transit, and resources. The Southern California region's housing crisis requires each jurisdiction to plan for the housing needs of their community and the region. In recognition of this effort there are more resources available than ever before to support jurisdictions as they prepare to update their 6<sup>th</sup> cycle housing elements:

- SB 2 Planning Grants – \$123 million one-time allocation to cities and counties
- SB 2 Planning Grants Technical Assistance offered to all jurisdictions
- Regional and Local Early Action Planning Grants – \$238 million one-time allocation for local and regional governments
- SB 2 Permanent Local Housing Allocation – approximately \$175 million annually in ongoing funding for local governments to increase affordable housing stock

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Deputy Director, [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov).



Megan Kirkeby  
Deputy Director



# City of Whittier

13230 Penn Street, Whittier, California 90602-1716  
(562) 567-9320 Fax (562) 567-2872 www.cityofwhittier.org

Electronically Transmitted to: [Housing@scag.ca.gov](mailto:Housing@scag.ca.gov)

December 10, 2020

RHNA Appeals Committee  
Southern California Association of Governments  
900 Wilshire Blvd, Suite 1700  
Los Angeles, CA 90017

SUBJECT: City of Whittier's Comments on Appeals to the Sixth Cycle Regional Housing Needs Assessment (RHNA) Allocation

Honorable Chair and Honorable Committee Members:

The City of Whittier ("City") appreciates the challenges that are inherent in allocating 1,341,827 housing units by the thousands (a 226% increase above the baseline 412,137 unit) to cities across Southern California, especially in built-out cities. However, the City is deeply concerned its housing allocation of 3,431 units from the State Department of Housing and Community Development ("HCD") and the Southern California Association of Government's ("SCAG") unit distribution methodology, along with recent housing legislation will fundamentally abridge the City's ability to develop effective land-use policies that are appropriate for managing the community's actual needs. The 878 units in the 5<sup>th</sup> cycle RHNA allocation has been increased by 290% to 3,431 units in the current 6<sup>th</sup> cycle. Particularly challenging in the 6<sup>th</sup> cycle, is the number of low and very low-income units (1,558) which combined with the moderate and above moderate unit totals forces unplanned and unnecessary residential densification of the community.

The affordable units are an unfunded mandate with very limited regional or State financial support for their development. Considering the affordable housing subsidies typically range from \$50,000 to \$250,000 per unit, the overall funding requirements could range from \$78,000,000 to \$390,000,000 which is clearly beyond the reach of the City of Whittier in that the City's general fund budget is just \$72,000,000 which already include \$2,000,000 annually to house the City's unsheltered residents in transitional housing. Additionally, the City only receives 7.5% of each property tax dollar to provide general services including police and library services.

The City is currently in the process of updating its Housing Element as well as the General Plan to incorporate the current RHNA allocation, so Whittier is acutely aware of the various housing needs as well as the potential obstacles, such as aging infrastructure and unplanned density, to creating the requisite housing within a city that

is essentially built out. The changes in the State's housing laws (SB 35, SB 166 and AB 1397) have created additional constraints for the agencies and may severely impact the City's ability to accomplish our regional and local housing goals.

Since development in Whittier began more than 130 years ago, the City is virtually built-out with little developable vacant land outside of its designated open space areas that are dedicated to accommodating existing and future residents. While the City has made significant efforts through its specific plans to densify existing corridors and districts, the majority of Whittier's remaining single-family residential neighborhoods cannot accommodate similar densification. Furthermore, the hills north of Whittier contain regional open space, sensitive habitat and wildlife areas that must be preserved in perpetuity. There are also significant infrastructure and water service constraints that impact Whittier's ability to produce significantly more housing. Although these facts may not be desirable, they must be pragmatically accounted for and mitigated by not further increasing Whittier's share of housing units contained in SCAG's 6<sup>th</sup> Cycle RHNA. The final RHNA allocation and methodology must be fair and equitable while reflecting the capacity for reasonable housing unit construction.

As with many other cities, the City is concerned about the current allocation, but an even greater concern is that additional units may be applied to the City if reallocated from cities that are successful in their appeals. To that end, the City believes the appeal process itself was unclear as to the potential ramifications to other cities and not fully understood.

Although we fully support the surrounding cities in their appeals, the potential for additional units being applied to the City would exacerbate the problems described herein and in Whittier's September 13, 2019 letter to SCAG.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffery S. Adams  
Director of Community Development

File

**From:** Christopher Koontz <Christopher.Koontz@longbeach.gov>  
**Sent:** Thursday, December 3, 2020 11:14 AM  
**To:** Regional Housing  
**Subject:** RHNA Appeals

**Categories:** Response Required, Record

Good morning,

The purpose of this email is to provide the City of Long Beach’s position in regards to pending RHNA appeals before SCAG. The City of Long Beach seeks to meet its housing needs and obligations for the benefit of Long Beach residents and the region. Our allocation was extremely large and presents a planning and financing challenge for the City. Nonetheless we chose not to appeal our allocation because the allocation process was fair and transparent including taking the City of Long Beach’s input into consideration.

We oppose and will not accept any transfer of additional allocation due to the pending appeals. We note that within our area, the Gateway COG, appeals are pending from Bellflower, Cerritos, Downey, Huntington Park, La Mirada, Lakewood, Pico Rivera, and South Gate. Each of these appeals should be evaluated by SCAG on the merits, however Long Beach opposes any transfer of allocation to our City. It would be inappropriate to transfer a further burden to Long Beach when we have already accepted a large allocation and have done more than many cities in the region to accommodate housing growth under the current RHNA cycle, including fully meeting our market-rate RHNA allocation.

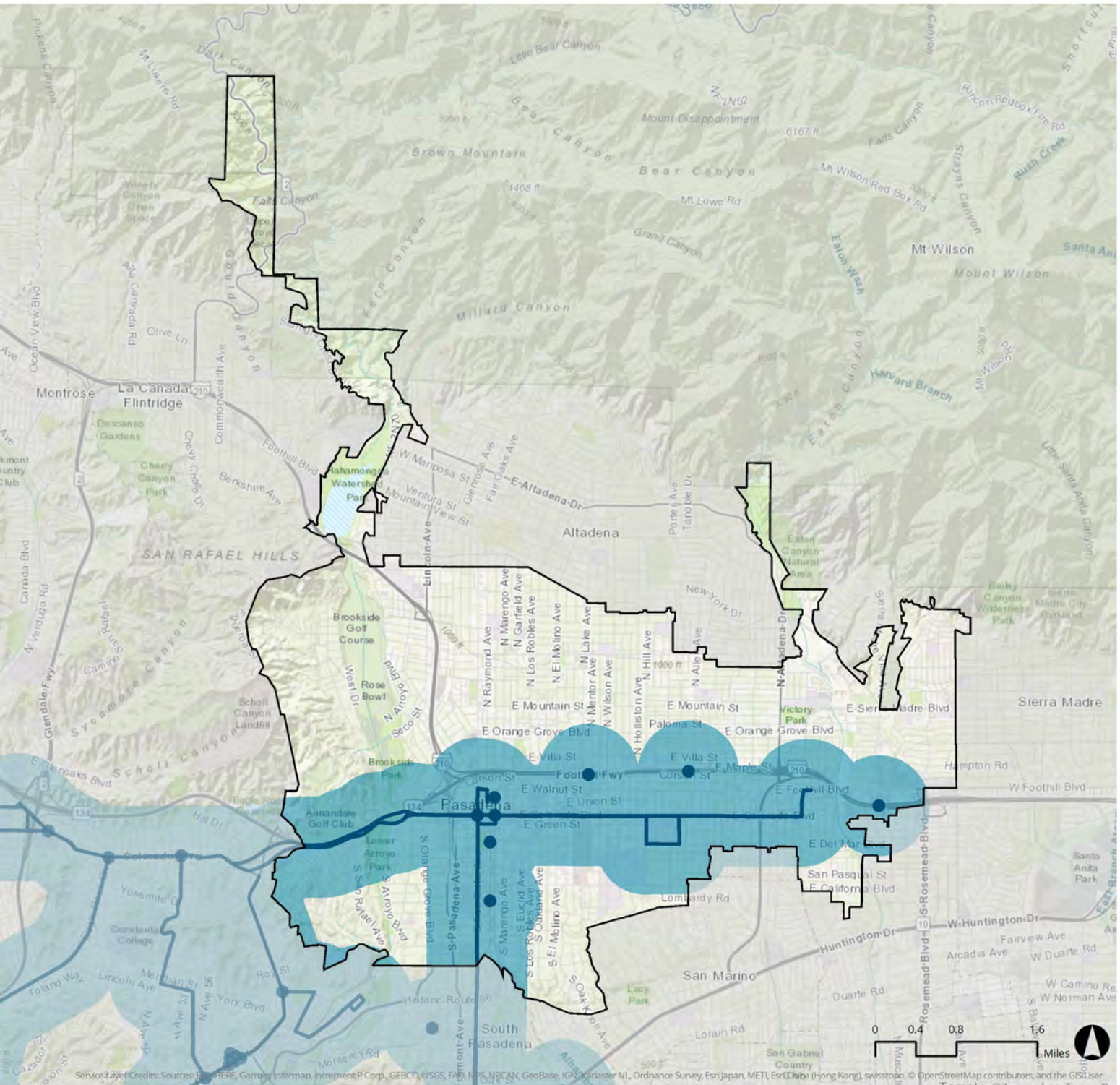
The City of Long Beach will continue to work with SCAG and our neighbor jurisdictions to address the housing needs of our residents.

We thank you for consideration and please do not hesitate to contact the City regarding our position.

Christopher Koontz, AICP  
*Deputy Director*

Development Services  
411 W. Ocean Blvd., 3rd Floor | Long Beach, CA 90802  
Office: 562.570.6288 | Fax: 562.570.6068





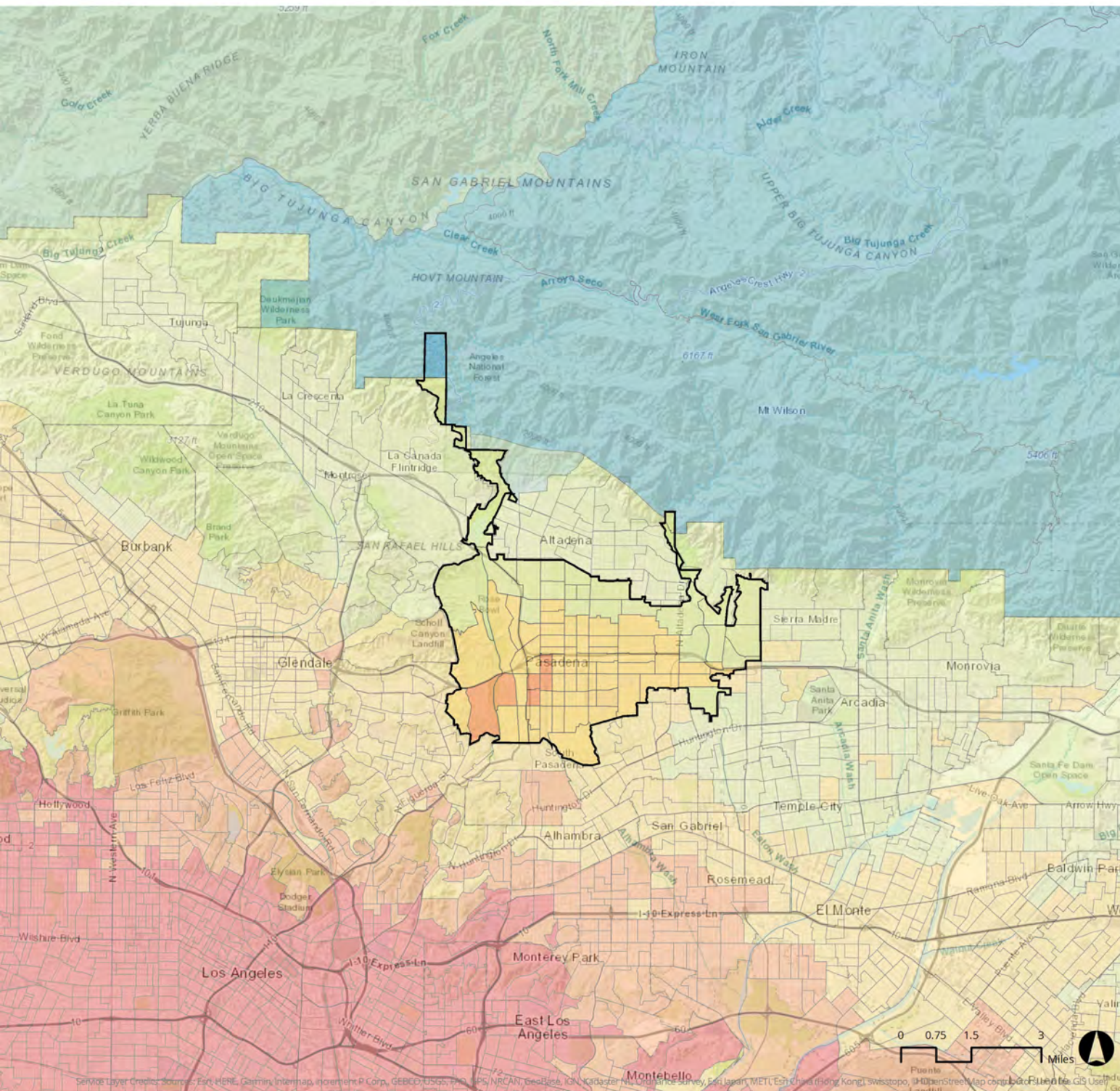
## Major Transit Stops and High Quality Transit Areas in City of Pasadena [Year 2045]

- Major Transit Stops
- High Quality Transit Corridors (HQTCS)
- High Quality Transit Areas (HQTAs)

Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCS), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCS are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTAs) is within one-half mile from Major Transit Stops and HQTCS and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTAs. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of Pasadena. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data, please refer to the SCAG Data/Map Book at [connectsoocal.org/Pages/Local-Input-Process.aspx](https://connectsoocal.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).



## TAZ-level job accessibility in and around: City of Pasadena [Year 2045]

0% - 2.29%    2.3% - 7.8%    7.81% - 11.68%    11.69% - 15.51%    15.52% - 19.63%    19.64% - 100%

Note: These data represent the share of jobs in the SCAG region accessible by automobile commute in 30 minutes in 2045 during the peak AM commute (6-9am). Further detail on the job accessibility measure can be found in SCAG's Final RHNA Methodology. Note that since the SCAG region's total employment forecast for 2045 is 10,049,000 jobs, the number of jobs available can be measured by multiplying the percentage found on the map by this number. For example, a TAZ-level job accessibility measure of 10.0% means that 1,049,000 future jobs could be reached in 30 minutes.

Data Source: SCAG, 2020 | Map Created: 10/22/2020

Disclaimer: The data underlying the information shown on this map reflect jurisdiction's input submitted during the Local Input and Envision Connect SoCal. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodology of this map, please refer to the SCAG Data/Map Book at <https://www.connectsocial.org/Pages/Local-Input-Process.aspx> or contact RTPLocalIn





Southern California Association of Governments  
k h \  
January 11, 2021

To: Regional Housing Needs Assessment Subcommittee (RHNA)

EXECUTIVE DIRECTOR'S  
APPROVAL

From: Roland Ok, Program Manager II,  
(213) 236-1819, ok@scag.ca.gov

Subject: Appeal of the Draft RHNA Allocation for the City of San  
Fernando

**RECOMMENDED ACTION:**

Deny the appeal filed by the City of San Fernando (the City) to reduce the Draft RHNA Allocation for the City by 1,291 units.

**STRATEGIC PLAN:**

This item supports the following Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

**SUMMARY OF APPEAL(S):**

The City of San Fernando requests a reduction of its RHNA allocation by 1,291 units (from 1,791 units to 500 units) based on the following issues:

- 1) Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> cycle RHNA – allocation of a greater percentage of housing units as compared to other cities according to certain parameters (local housing inventory, county housing inventory, TOD/HQTA, Net Residual Factor for Existing Need).
- 2) Existing or projected jobs-housing balance – same as Issue 1.
- 3) Sewer or water infrastructure constraints for additional development --- the City does not have adequate water supply capacity and sewer infrastructure to accommodate development of the RHNA allocations.
- 4) Availability of land suitable for urban development or for conversion to residential use – the City does not have available vacant land to accommodate its RHNA allocation.
- 5) Changed circumstances - San Fernando no longer qualifies has an HQTA and COVID-19 presents an unforeseen changed circumstance that has severely impacted the City's economy and impacted the development capacity for housing.

**RATIONALE FOR STAFF RECOMMENDATION:**

Staff have reviewed the appeal(s) and recommend no change to the City of San Fernando ) k=V° Allocation.

**OUR MISSION**

*To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.*

**OUR VISION**

*Southern California's Catalyst for a Brighter Future*

**OUR CORE VALUES**

*Be Open | Lead by Example | Make an Impact | Be Courageous*

Issue 1 and 2: The City has not provided evidence that SCAG's methodology allocates a greater percentage of RHNA allocation when compared to other cities according to certain parameters. As such, we do not recommend granting an appeal on these bases.

Issue 3: The City has not provided evidence that the respective provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure. Further, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. As such, we do not recommend granting an appeal on these bases.

Issue 4: The City has not provided evidence that it could not accommodate higher density housing. As such, SCAG does not recommend granting an appeal on these bases.

Issue 5: Impacts from COVID-19 are not unique to any single SCAG jurisdiction and the City has not provided evidence that housing need within San Fernando is disproportionately impacted in comparison to the rest of the SCAG region. As such, we do not recommend granting an appeal on these bases.

## **BACKGROUND:**

### **Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the adoption of Connect SoCal on September 3, 2020, all local jurisdictions received Draft RHNA Allocations on September 11, 2020. A summary is below.

#### **Total RHNA Allocation for the City of San Fernando: 1,791**

Very Low Income: 460

Low Income: 273

Moderate Income: 283

Above Moderate Income: 775

Additional background related to the draft RHNA Allocation is included in Attachment 1.

### **Summary of Comments Received during 45-day Comment Period**

No comments were received from local jurisdictions or HCD during the 45-day public comment period described in Government Code section 65584.05(c) which specifically regard the appeal filed

for the City of San Fernando. Three comments were received which relate to appeals filed generally:

- HCD submitted a comment on December 10, 2020 delineating the statutory basis for RHNA appeals and the requirement that any appeals granted must include written findings regarding how revisions are necessary to further RHNA's statutory objectives.
- The City of Whittier submitted a comment on December 10, 2020 supporting surrounding cities in their appeals but expressing concern that additional units may be applied to Whittier if reallocated from cities which are successful in their appeals.
- The City of Long Beach submitted a comment on December 3, 2020 indicating their view that the RHNA allocation process was fair and transparent, their support for evaluating appeals on their merits (specifically those from the Gateway Council of Governments), and their opposition to any action which would result in a transfer of additional units to Long Beach.

#### **ANALYSIS:**

***Issues 1 and 2:*** Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029) [Government Code Section 65584.05 (b)(2)] and existing or projected jobs-housing balance [Section 65584.04(e)(1)].

*The City of San Fernando contends that when comparing jobs/housing balance, SCAG's methodology allocates a greater percentage of housing units to them when compared to other cities according to certain parameters:*

- Local Housing Inventory: *San Fernando argues that cities such as La Puente and South El Monte had a lower RHNA housing inventory numbers (0.19 and 0.11) compared to San Fernando's value of 0.27*
- County Housing Inventory: *San Fernando states that the number of housing units in San Fernando represents 0.18 percent of the LA County's 2020 Housing Units but disproportionately represents 0.22 percent of the County's RHNA allocation of 813,082 units.*
- TOD/HQTA: *The City argues that compared to other jurisdictions, San Fernando does not have adequate public transit access that would allow for TOD projects.*
- Net Residual Factor for Existing Need: *San Fernando argues that the distribution of the 122 "residual units" would have been more equitable and sustainable if it was allocated to job-rich jurisdictions, which also tend to have High Quality Transit Corridors and Areas.*

**SCAG Staff Response:** SCAG recognizes that the increase is substantial compared to the existing housing stock. This is largely a result of the high regional housing number of 1,341,827 called for by HCD in their regional determination for SCAG. According to the state Department of Finance's 2019 data the region had 6,592,458 housing units—meaning that HCD expects the entire region to plan

for a 20.4% increase in units.

Ultimately whether a city is above or below this regional average level depends on factors explained in the RHNA methodology. While comparing a RHNA allocation versus the existing housing stock may provide an intuitive comparison of magnitude, it is not a measure which is referenced in statute related to the regional determination or allocation methodology.

The 6th Cycle RHNA regional housing need total of 1,341,827 units, as determined by HCD, consists of both “projected need” and “existing need”. The majority of the City of San Fernando RHNA allocation comes not from the City’s proximity to jobs or transit but instead from its expected future growth or “projected need”. As described in Attachment 1, the “projected need” for the City of San Fernando is 375 units. “Projected need” is intended to accommodate the growth of population and households within the City during the 2021-2029 RHNA period. This calculation is based on the household growth for the comparable RHNA period (2021 to 2029) of the regional transportation plan. See Attachment 1, “Local input and development of draft RHNA allocation” which describes the extent of local engagement and review opportunities provided to local jurisdictions on the household growth forecast. Review opportunities began in October 2017. While the initial deadline for input was October 2018, additional review opportunities were provided to all local jurisdictions through June 2020. Growth forecast data for the City of San Fernando was reviewed and approved by the City in August 2018 (see Attachment 3, Data Verification Form).

The adopted RHNA methodology already includes job and transit accessibility as primary factors in determining a jurisdiction’s draft RHNA allocation for “existing need”. Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute (additional details are found in the adopted RHNA methodology). This is **not** a measure of the number of jobs within a jurisdiction; rather, it is a measure of how many jobs can be accessed by a jurisdiction’s residents, which includes jobs outside of the jurisdiction. As described in Attachment 1, from the City of San Fernando’s median TAZ, it will be possible to reach 10.66% of the region’s jobs in 2045 within a 30-minute automobile commute (1,071,000) jobs, based on Connect SoCal’s 2045 regional job forecast of 10,049,000 jobs). Therefore, the City only received a RHNA allocation of 444 units based on job accessibility. Hence, the local jurisdiction’s job-housing balance has already been accounted for in the approved RHNA methodology. Regarding the City not having HQTAs, please refer to response below.

**Issue 3: Sewer or water infrastructure constraints for additional development [Section 65584.04(e)(2)(A)].**

*The City of San Fernando argues that its current infrastructure is in disarray and that the City does not have adequate water supply and sewer lines to accommodate development of the 2021-2029 RHNA allocation. The City argues that the RHNA allocation is in direct conflict with AB 1397, in which*

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*housing inventory sites must have enough public infrastructure to support and be accessible for housing development.*

**SCAG Staff Response:** For Government Code section 65584.04(e)(2)(A) to apply in this case, the jurisdiction must be precluded from providing necessary infrastructure for additional development due to supply and distribution decisions made by a sewer or water provider other than the local jurisdiction. For the water and sewer constraints mentioned by the jurisdiction, it is not evident that the respective provider has rendered a decision that would prevent the jurisdiction from providing necessary infrastructure.

Further, costs to upgrade and develop appropriate infrastructure cannot be considered by SCAG as a justification for a reduction since the RHNA Allocation is not a building quota. Rather, a jurisdiction is required to plan and zone for housing need and is not penalized for not developing the assigned units.

SCAG acknowledges that AB 1397 modifies the housing element update process in Government Code Section 65583 and requires stronger justification for using certain types of sites to meet RHNA need, particularly nonvacant sites. While these statutory changes have increased the extent of analysis or supportive policy required to demonstrate development likelihood, they do not preclude the consideration of non-vacant sites. For example, page 25 of HCD's June 10, 2020 Housing Element Site Inventory Guidebook<sup>1</sup> covering Government Code Section 65583.2 states:

The inventory analysis should describe development and/or redevelopment trends in the community as it relates to nonvacant sites, i.e., the rate at which similar sites have been redeveloped. This could include a description of the local government's track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more intensive residential uses. If the local government does not have any examples of recent recycling or redevelopment, the housing element should describe current or planned efforts (via new programs) to encourage and facilitate this type of development (e.g., providing incentives to encourage lot consolidation or assemblage to facilitate increased residential-development capacity). The results of the analysis should be reflected in the capacity calculation described in Part C, above.

Further, AB 1397 provides that:

(f) The deadline for completing required rezoning pursuant to subparagraph (A) of paragraph (1) of subdivision (c) shall be extended by one year if the local government has completed the rezoning at densities sufficient to accommodate at least 75 percent of the units for low- and very low-income

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<sup>1</sup>[https://www.hcd.ca.gov/community-development/housing\\_element/docs/sites\\_inventory\\_memo\\_final06102020.pdf](https://www.hcd.ca.gov/community-development/housing_element/docs/sites_inventory_memo_final06102020.pdf)

households and if the legislative body at the conclusion of a public hearing determines, based upon substantial evidence, that any of the following circumstances exist:

(2) The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.

Thus, statute permits, and HCD has provided guidance on how, several approaches may be taken in order to demonstrate site suitability and if infrastructure constraints are substantiated the deadline for required rezoning can be extended by a year.

For these reasons, SCAG staff does not recommend a housing need reduction based upon this planning factor.

**Issue 4: Availability of land suitable for urban development or for conversion to residential use [Government Code Section 65584.04(e)(2)(B)].**

*The City of San Fernando argues that a lack of developable land limits or restricts its ability to accommodate its RHNA allocation. Due its small size (2.3 square miles) and focus on industrial uses, the City lacks infill or vacant areas. The City argues that it will have to consider additional sites that were not included in the previous Cycle. San Fernando argues that it would be forced to transition additional under-utilized properties into higher density housing developments. The typical ownership pattern in San Fernando is small contiguous lots that would need to be assembled into a larger development site which is a problem as they would be burdened by the economics of remediating the site from years of industrial use.*

**SCAG Staff Response:** Pursuant to Government Code Section 65584.04(e)(2)(B), SCAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality” (which includes the land use policies in its General Plan). “Available land suitable for urban development or conversion to residential use,” as expressed in 65584.04(e)(2)(B), is not restricted to vacant sites; rather, it specifically indicates that underutilized land, opportunities for infill development, and increased residential densities are a component of “available” land. As indicated by HCD in its December 10, 2020 comment letter (HCD Letter):

“In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.” (HCD Letter at p. 2).

As such, the City can consider other opportunities for development. This includes the availability of

underutilized land, opportunities for infill development and increased residential densities, or alternative zoning and density. Alternative development opportunities should be explored further and could possibly provide the land needed to zone for the City's projected growth.

Note that while zoning and capacity analysis is used to meet RHNA need, they should not be used to allocate RHNA need. Per the adopted RHNA methodology, RHNA need is determined by projected household growth, transit access, and job access. Housing need, both existing and projected, is independent of zoning and other related land use restrictions, and in some cases is exacerbated by these very same restrictions. Thus, land use capacity that is restricted by factors unrelated to existing or projected housing need cannot determine existing or projected housing need. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

***Issue 5: Changed Circumstances [Government Code 65584.05(b)].***

*The City of San Fernando argues that it no longer qualifies as a city with an HQTAs. The City states that San Fernando's long-range plan and vision were altered due to Metro's funding shortfall for the construction of the East San Fernando Valley Transit Corridor (ESFVTC). While the project hasn't been cancelled, it has been divided into two segments due to financial constraints. The City argues that the second segment, which reaches San Fernando would be completed past the 6<sup>th</sup> RHNA cycle's projection date and as such the City does not have areas that meet the definition of a Major Transit Stop as there are no two intersecting bus lines with a frequency of service interval 15 minutes or less, nor does it meet the definition of a High Quality Transit Corridor, as only one bus line has service intervals 15 minutes or less during the northbound afternoon peak only.*

*Further, The City of San Fernando argues that the COVID-19 pandemic presents an unforeseen changed circumstance that has severely impacted the City's economy, the current and future housing market and impacted the development capacity of the private market to create housing.*

**SCAG Staff Response:** The adopted final RHNA methodology includes a component that calculates need based on a jurisdiction's population within a High-Quality Transit Area (HQTAs) in 2045 in Connect SoCal, SCAG's 2045 RTP/SCS. For planning and SCS purposes, SCAG identifies HQTAs as generally a walkable transit village or corridor that is within one-half mile of a major transit stop or High-Quality Transit Corridor (HQTAs) as defined in Government Code 21155(b) and 21064.3 excluding freeway transit corridors with no bus stops on the freeway alignment. As noted in Connect SoCal, HQTAs are defined as a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours (CA Public Resource Code Section 21155(b)). SCAG's technical methodology for identifying HQTAs and major transit stops is based on input from the Regional Transit Technical Advisory Committee (RTTAC), as well as consultation with local agencies, other large MPOs in California, and the Governor's Office of Planning and Research.

While portions of the ESFVTC have been delayed, the Connect SoCal horizon goes out to 2045, and when sufficient funding is secured, the project is still anticipated to be implemented. Lines 234 (Local) and 734 (Rapid) are located within the City of San Fernando and both continue to have service intervals of 7.5 minutes during peak periods. As such the bus routes meet the definition of HQTCS. Based on these HQTCS, the attached map shows the 2045 HQTAs boundaries for the City of San Fernando which were used in Connect SoCal.

Further, planned HQTCS and major transit stops are future improvements that are expected to be implemented by transit agencies by the RTP/SCS horizon year of 2045. These are assumed to meet the statutory requirements of an HQTCS, or major transit stop. SCAG updates its inventory of planned major transit stops and HQTCS with the adoption of a new RTP/SCS, once every four years. However, transit planning studies may be completed by transit agencies on a more frequent basis than the RTP/SCS is updated by SCAG and as such it is understood that planned transit projects are subject to further project-specific evaluation, but that is the nature of the long range planning process.

While there is an inherent chance that transit agencies may change future plans, SCAG's adopted final RHNA methodology uses this definition of 2045 HQTAs in order to better align future housing with anticipated future transit.

SCAG recognizes that COVID-19 presents unforeseen circumstances and that local governments have been affected by significant unemployment. However, these facts, as presented by the City, do not "merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04." (Govt. Code § 65584.05(b)(3)). Furthermore, Section 65584.05(b) requires that:

"Appeals shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584."

SCAG's Regional Council delayed the adoption of its 2020-2045 RTP/SCS by 120 days in order to assess the extent to which long-range forecasts of population, households, and employment may be impacted by COVID-19; however, the document's long-range (2045) forecast of population, employment, and household growth remained unchanged. The Demographics and Growth Forecast Technical Report<sup>2</sup> outlines the process for forecasting long-range employment growth which involves understanding national growth trends and regional competitiveness, i.e. the SCAG's region share of national jobs. Short-term economic forecasts commenting on COVID-19 impacts generally do not provide a basis for changes in the region's long-term competitiveness or the

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<sup>2</sup> See [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Demographics-And-Growth-Forecast.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Demographics-And-Growth-Forecast.pdf)



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region's employment outlook for 2023-2045. As such, SCAG's assessment is that comparable data would not suggest long-range regional employment declines.

The COVID-19 pandemic has had various impacts throughout Southern California; however, it has not resulted in a slowdown in major construction nor has it resulted in a decrease in a demand for housing or housing need. Southern California home prices continue to increase (+2.6 percent from August to September 2020) led by Los Angeles (+10.4 percent) and Ventura (+6.2 percent) counties. Demand for housing as quantified by the RHNA allocation is a need that covers an 8-year period, not simply for impacts that are in the immediate near-term. Moreover, impacts from COVID-19 are not unique to any single SCAG jurisdiction and no evidence has been provided in the appeal that indicates that housing need within jurisdiction is disproportionately impacted in comparison to the rest of the SCAG region. For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

For these reasons, SCAG staff does not recommend a reduction to the jurisdiction's draft RHNA allocation.

**FISCAL IMPACT:**

Work associated with this item is included in the current FY20-21 Overall Work Program (300-4872Y0.02: Regional Housing Needs Assessment).

**ATTACHMENT(S):**

1. Local Input and Development of Draft RHNA Allocation (City of San Fernando)
2. City of San Fernando Appeal Form and Supporting Documentation
3. Data Input and Verification Form (City of San Fernando)
4. HCD Final 6th Cycle Housing Need Determination for the SCAG Region
5. Comments Received During the Comment Period (General)
6. HQT Map for City of San Fernando

## Attachment 1: Local Input and Development of Draft RHNA Allocation

This attachment sets forth the nature and timing of the opportunities which the City of San Fernando had to provide information and local input on SCAG's growth forecast, the RHNA methodology, and the Growth Vision of the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS or Connect SoCal). It also describes how the RHNA Methodology development process integrates this information in order to develop the City of San Fernando's Draft RHNA Allocation.

### 1. Local Input

#### a. Bottom-Up Local Input and Envisioning Process

On October 31, 2017, SCAG took the first step toward developing draft RHNA allocations by initiating the Bottom-Up Local Input and Envisioning Process. At the direction of the Regional Council, the objective of this process was to seek local input and data to prepare for the 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS and later referred to as Connect SoCal) and the 6<sup>th</sup> cycle of RHNA.<sup>1</sup> Each jurisdiction was provided with a package of land use, transportation, environmental, and growth forecast data for review and revision which was due on October 1, 2018.<sup>2</sup> While the local input process materials focus principally on jurisdiction-level and Transportation Analysis Zone (TAZ) level growth, input on specific parcels, sites, and project areas were welcomed and integrated into SCAG's growth forecast as well as data on other elements. SCAG met one-on-one with all 197 local jurisdictions between November 2017 and July 2018 and provided training opportunities and staff support. Following input from SCAG's Technical Working Group (TWG), the Connect SoCal growth forecast reflected precisely the jurisdiction-level growth totals provided during this process.

The local input data included SCAG's preliminary growth forecast information. For the City of San Fernando, the anticipated number of households in 2020 was 6,197 and in 2030 was 6,638 (growth of 441 households). On March 26, 2018, SCAG staff met with staff from the City of San Fernando to discuss the Bottom-Up Local Input and Envisioning Process and answer questions. Input from the City of San Fernando on the growth forecast was received in August 2018. Following input, household totals remained the same.

<sup>1</sup> While the RTP/SCS and RHNA share data elements, they are distinct processes. The RTP/SCS growth forecast provides an assessment of reasonably foreseeable future patterns of employment, population, and household growth in the region given demographic and economic trends, and existing local and regional policy priorities. The RHNA identifies anticipated housing need over a specified eight-year period and requires that local jurisdictions make available sufficient zoned capacity to accommodate this need. A further discussion of the relationship between these processes can be found in Connect SoCal Master Response 1 at [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf).

<sup>2</sup> A detailed list of data during this process reviewed can be found in each jurisdiction's Draft Data/Map Book at <http://scagrtpscs.net/Pages/DataMapBooks.aspx>

**b. Submitted RHNA methodology surveys**

On March 19, 2019, SCAG distributed a packet of methodology surveys, which included the local planning factor survey, Affirmatively Furthering Fair Housing (AFFH) survey, and replacement need survey, to SCAG jurisdictions' Community Development Directors. SCAG reviewed all submitted responses as part of the development of the Draft RHNA Methodology. The City of San Fernando submitted the following surveys prior to the adoption of the Draft RHNA Methodology:

- Local planning factor survey
- Affirmatively Furthering Fair Housing (AFFH) survey
- Replacement need survey
- No survey was submitted to SCAG

**c. Connect SoCal Growth Vision and Additional Refinements**

Beginning in May 2018, SCAG's Sustainable Communities Working Group began the process of developing growth scenarios for the SCAG region. The culmination of this work was the development of the Connect SoCal Growth Vision, which directly uses jurisdictional-level growth projections from the Bottom-Up Local Input and Envisioning process, and also features strategies for growth at the TAZ-level that help to reduce greenhouse gas emissions (GHG) from automobiles and light trucks to achieve Southern California's GHG reduction target, approved by the California Air Resources Board (CARB) in accordance with state planning law. Additional detail regarding the Connect SoCal Growth Vision, specifically the Transportation Analysis Zone (TAZ, or neighborhood) level projections is found at <https://www.connectsocial.org/Documents/DataMapBooks/Growth-Vision-Methodology.pdf>.

As a result of these strategies, in some jurisdictions growth at the TAZ-level differed from locally anticipated growth conveyed during the Bottom-Up Local Input and Envisioning Process.

As such, SCAG provided two additional opportunities for all local jurisdictions to make TAZ-level technical refinements on the topics of general plan capacities and entitlements. During the release of the draft Connect SoCal Plan, jurisdictions were notified on October 31, 2019 that SCAG would accept additional refinements until December 11, 2019. Following the Regional Council's decision to delay full adoption of Connect SoCal for 120 days due to the COVID-19 pandemic, all jurisdictions were again notified on May 26, 2020 that SCAG would accept additional refinements until June 9, 2020.

Connect SoCal Growth Vision data have been available to local jurisdiction staff during the entirety of this process through SCAG's Scenario Planning Model Data Management Site (SPM-DM) at <http://spmdm.scag.ca.gov> and updates were shared with local jurisdictions on technical refinements to the data in February 2020 and August 2020 to share the results of both review opportunities. The City of San Fernando's TAZ-level data utilized in the Connect SoCal Growth Vision matches input provided during the Bottom-Up Local Input and Envisioning Process.

## 2. Development of Final RHNA Methodology

SCAG convened the first meeting of the RHNA Subcommittee in October 2018. In their subsequent monthly meetings, this body reviewed and advised on the development of SCAG's 6<sup>th</sup> cycle RHNA process, including the development of the RHNA methodology. Per Government Code 65584.04(a), SCAG must develop a RHNA methodology which furthers the five statutory objectives of RHNA:

*(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 (Govt. Code § 65584(d)).*

As explained in more detail below, the Draft RHNA Methodology (which was adopted as the Final RHNA Methodology) set forth the policy factors, data sources, and calculations which would be used to generate draft RHNA allocations for all local jurisdictions. Following extensive debate and public comment, SCAG's Regional Council voted to approve the Draft RHNA Methodology on November 7, 2019 and provide it to HCD for review. Per Government Code 65584.04(i), HCD is vested with the authority to determine whether a methodology furthers the objectives set forth in Government Code section 65584(d). On January 13, 2020, HCD found that the Draft RHNA Methodology furthers these five statutory objectives of RHNA. Specifically, HCD noted that:

*"This methodology generally distributes more RHNA, particularly lower income RHNA, near jobs, transit, and resources linked to long term improvements of life outcomes. In particular, HCD applauds the use of the objective factors specifically linked the*

*statutory objectives in the existing need methodology.” (Letter from HCD to SCAG dated January 13, 2020 at <https://scag.ca.gov/sites/main/files/file-attachments/hcd-review-rc-approved-draft-rhna-methodology.pdf?1602190239>).*

On March 5, 2020, again following extensive debate and public comment, the Regional Council voted to approve the Draft RHNA Methodology as the Final RHNA Methodology. Unlike SCAG’s 5<sup>th</sup> cycle RHNA methodology which relies almost entirely on the household growth component of the RTP/SCS, SCAG’s 6<sup>th</sup> cycle RHNA methodology consists of two primary elements: “projected need” which includes the number of housing units required to accommodate anticipated population growth over the 8-year RHNA planning period and “existing need,” which refers to the number of housing units required to accommodate excess or unsatisfied housing demand experienced by the region’s current population.<sup>3</sup> Furthermore, the Final RHNA methodology utilizes measures of 2045 job accessibility and High Quality Transit Area (HQT) population measures based on TAZ-level projections in the Connect SoCal Growth Vision.

More specifically, the Final RHNA Methodology considers three primary factors in determining a local jurisdiction’s total housing need which are primarily based on data from Connect SoCal’s aforementioned Bottom-Up Local Input and Envisioning Process:

- Forecasted growth over 2020-2030 (projected need)
- Transit accessibility in 2045 (existing need)
- Job accessibility in 2045 (existing need)

The methodology is described in further detail at

<http://scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

### **3. Final RHNA Methodology and Draft RHNA Allocation**

Following the adoption of the Final RHNA Methodology on March 5, 2020 and the 120-day delay due to the Covid-19 pandemic, SCAG adopted Connect SoCal on September 3, 2020, and the City of Redondo Beach received its Draft RHNA Allocation on September 11, 2020. Application of the RHNA methodology yields the Draft RHNA Allocations for the City of San Fernando as summarized in the data and in the tables below.

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<sup>3</sup> Legislative changes in 2018 modified the nature of the regional housing need determination for the 6<sup>th</sup> cycle of RHNA by adding measures of household overcrowding and housing cost burden to the list of factors to be considered by HCD for the determination of housing need. These new measures are not included in the Connect SoCal Growth Forecast because they are not direct inputs to the growth forecasting process and are independent of employment and population projections. In contrast, they reflect additional latent housing needs in the current population (i.e. “existing need”) and would not result in a change in regional population. For further discussion see Connect SoCal Master Response 1 at [https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal\\_Public-Participation-Appendix-2.pdf](https://www.connectsocial.org/Documents/Adopted/0903fConnectSoCal_Public-Participation-Appendix-2.pdf).

City of San Fernando Statistics and Inputs		Calculation of Draft RHNA Allocation for San Fernando	
Forecasted household (HH) growth, RHNA period: <i>(2020-2030 Household Growth * 0.825)</i>	364	Forecasted household (HH) growth, RHNA period:	364
Percent of households who are renting:	46%	Vacancy Adjustment: <i>(5% for renter households and 1.5% for owner households)</i>	11
Housing unit loss from demolition (2009-18):	-	Replacement Need:	-
Adjusted forecasted household growth, 2020-2045: <i>(Local input growth forecast total adjusted by the difference between the RHNA determination and SCAG's regional 2020-2045 forecast, +4%)</i>	985	TOTAL PROJECTED NEED:	375
Percent of regional jobs accessible in 30 mins (2045): <i>(From the jurisdiction's median TAZ)</i>	10.66%	Existing need due to job accessibility (50%):	444
Jobs accessible from the jurisdiction's median TAZ (2045): <i>(Based on Connect SoCal's 2045 regional forecast of 10.049M jobs)</i>	1,071,000	Existing need due to HQTa pop. share (50%):	850
Share of region's job accessibility (population weighted):	0.11%	Net residual factor for existing need:	122
		<i>(Negative values reflect a cap on lower-resourced community with good job and/or transit access. Positive values represent the amount being redistributed to higher-resourced communities based on their job and/or transit access)</i>	
Jurisdiction's HQTa population (2045):	20,788	TOTAL EXISTING NEED:	1,416
Share of region's HQTa population (2045):	0.20%	<b>TOTAL RHNA FOR THE CITY OF SAN FERNANDO</b>	<b>1,791</b>
Share of population in low/very low-resource tracts:	45.69%	Very-low income (<50% of AMI):	460
Share of population in very high-resource tracts:	0.00%	Low income (50-80% of AMI):	273
Social equity adjustment:	150%	Moderate income (80-120% of AMI):	283
		Above moderate income (>120% of AMI)	775

The transit accessibility measure is based on the population anticipated to live in High-Quality Transit Areas (HQTAs) in 2045 based on Connect SoCal’s designation of high-quality transit areas and population forecasts. With a forecasted 2045 population of 20,788 living within HQTAs, the City of San Fernando represents 0.20% of the SCAG region’s HQTa population, which is the basis for allocating housing units based on transit accessibility.

Job accessibility is defined as the jurisdiction’s share of regional jobs accessible within a 30-minute drive commute. Since over 80 percent of the region’s workers live and work in different jurisdictions, the RHNA methodology uses a measure based on Connect SoCal’s travel demand model output for the year 2045 rather than assigning housing units based on the number of jobs with a specific jurisdiction. Specifically, the share of future (2045) regional jobs which can be reached in a 30-minute automobile commute from the local jurisdiction’s median TAZ is used as to allocate housing units

based on transit accessibility. From the City of San Fernando median TAZ, it will be possible to reach 10.66% of the region's jobs in 2045 within a 30-minute automobile commute (1,071,000 jobs, based on Connect SoCal's 2045 regional job forecast of 10,049,000 jobs).

An additional factor is included in the methodology to account for RHNA Objective #5 to Affirmatively Further Fair Housing (AFFH). Several jurisdictions in the region which are considered disadvantaged communities (DACs) on the basis of access to opportunity measures (described further in the RHNA methodology document), but which also score highly in job and transit access, may have their total RHNA allocations capped based on their long-range (2045) household forecast. This additional housing need, referred to as residual, is then reallocated to non-DAC jurisdictions in order to ensure housing units are placed in higher-resourced communities consistent with AFFH principles. This reallocation is based on the job and transit access measures described above, and results in an additional 122 units assigned to the City of San Fernando.

Please note that the above represents only a partial description of key data and calculations in the RHNA methodology. The attached maps provide further detail regarding transit and job access measures.

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**  
*All appeal requests and supporting documentation must be received by SCAG June 15, 2020, 5 p.m.*  
*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*  
*Late submissions will not be accepted.*

Date: October 26, 2020 Jurisdiction Subject to This Appeal Filing: San Fernando  
*(to file another appeal, please use another form)*

Filing Party (Jurisdiction or HCD) City of San Fernando

Filing Party Contact Name Timothy Hou

Filing Party Email: thou@sfcity.org

**APPEAL AUTHORIZED BY:**

Name: Nick Kimball

**PLEASE SELECT BELOW:**

- Mayor
- Chief Administrative Office
- City Manager
- Chair of County Board of Supervisors
- Planning Director
- Other: \_\_\_\_\_

**BASES FOR APPEAL**

- Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - Existing or projected jobs-housing balance
  - Sewer or water infrastructure constraints for additional development
  - Availability of land suitable for urban development or for conversion to residential use
  - Lands protected from urban development under existing federal or state programs
  - County policies to preserve prime agricultural land
  - Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - County-city agreements to direct growth toward incorporated areas of County
  - Loss of units contained in assisted housing developments
  - High housing cost burdens
  - The rate of overcrowding
  - Housing needs of farmworkers
  - Housing needs generated by the presence of a university campus within a jurisdiction
  - Loss of units during a state of emergency
  - The region's greenhouse gas emissions targets
  - Affirmatively furthering fair housing
- Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_ Hearing Date: \_\_\_\_\_ Planner: \_\_\_\_\_



## **Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**

*All appeal requests and supporting documentation must be received by SCAG June 15, 2020, 5 p.m.*

*Appeals and supporting documentation should be submitted to [housing@scaq.ca.gov](mailto:housing@scaq.ca.gov).*

*Late submissions will not be accepted.*

### **Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

The City of San Fernando, pursuant to Government Code 65584.05(b) wishes to appeal the draft Regional Housing Needs Assessment (RHNA) Allocation. On September 4, 2020, SCAG notified the City that its RHNA obligation has increased 800% from its 5<sup>th</sup> Cycle obligations of 217 housing units to the 6<sup>th</sup> Cycle obligations of 1,791 housing units. The City respects the importance of providing affordable housing and understands the important role government can have in fulfilling this goal. In the latest Annual Element Progress Report, the City has proven its sincere commitment to affordable housing by already exceeding its Low-Income housing goal by over 470%, producing 151 low-income housing units.

The City believes strongly that the appeal is consistent with the sustainable communities strategy contained within SCAG's Connect SoCal Plan as the City continues to promote higher density urban infill housing projects that are strategically located within mixed-use districts. The City's appeal does not dampen or impede our proactive efforts in furtherance of the objectives contained in Government Code Section 65584(d). San Fernando has demonstrated its commitment to the provision of affordable housing as documented with verifiable building permits included in each Annual Element Progress Report. San Fernando remains committed to affirmatively furthering fair housing, increasing housing supply and mix of housing types, and promoting urban infill development. The Appeal request will enable San Fernando to continue striving methodically and realistically towards compliance with an updated RHNA Allocation that accurately reflects the City's obligations.

The City of San Fernando appeals the City's RHNA Allocation based upon the following three criteria as authorized in California Government Code Section 65584.05(b):

- Local Planning Factors
- Methodology
- Changed Circumstances

#### **LOCAL PLANNING FACTORS**

Incorporated in 1911, today's San Fernando is completely built-out, with a lack of developable land, and a dilapidated and under-sized public infrastructure that strains to handle increased development pressures.

- Lack of Developable Land:** San Fernando is approximately 2.3 square miles in size and as the City grew around its small downtown and light industrial uses, the vacant land began to fill-in. Today, contemporary San Fernando is a suburban bedroom community with a predominance of single-family residential neighborhoods. The City's certified 5<sup>th</sup> Cycle Housing Element identified 25 sites as eligible housing sites, of which one percent is vacant. If all of these 25 sites were developed into housing, at a density of 32-37 du/ac., a maximum of 526 housing units can be developed, well short of the 6<sup>th</sup> Cycle RHNA Allocation of 1,791 housing units. However, the additional screening criteria, pursuant to AB 1397, (i.e. available and suitable, realistic and demonstrated potential for development) placed on determining eligible properties for housing will disqualify some of these 25 sites, severely limiting the potential pool of eligible housing sites, and further impacting San Fernando's ability to comply with the 6<sup>th</sup> Cycle RHNA Allocation. Additional housing sites for the 6<sup>th</sup> Cycle, therefore, must be identified. The City will have to consider additional sites that were not included in the previous Cycle. For example, the City must focus on transitioning additional under-utilized properties into higher density housing developments. The typical ownership pattern in San Fernando are small contiguous lots that would need to be assembled into a larger development site. The land assemblage problem is further burdened by the economics of remediating the site from years of industrial use. San Fernando has several major constraints that inhibits the use of existing properties, which severely limits or totally restricts the City's ability to accommodate the 6<sup>th</sup> Cycle RHNA Allocation.
- Lack of Public Infrastructure:** The City is burdened with undersized and broken water and sewer lines, and with the passage of AB 1397, the potential list of housing inventory sites must have sufficient public infrastructure to support and be accessible for housing development. In 2019, the City commissioned an independent assessment and analysis of the failing water and sewer system (see Exhibits 1 and 2). The study concluded that extensive repairs and comprehensive maintenance of the systems were needed, creating an annual shortfall of approximately \$500,000. New public infrastructure improvements necessitated by infill projects will become project costs, thus increasing the overall cost of each housing unit built.

## METHODOLOGY

In examining the Job/Housing, San Fernando was allocated a greater percentage of RHNA-housing units than when compared with other cities according to certain parameters (see Exhibit 3).

- Local Housing Inventory:** Cities with comparable 2016 Housing Inventory such as La Puente and South El Monte, all had a lower RHNA/2020 Housing Inventory, 0.19 and 0.11, respectively, compared to San Fernando's 0.27.
- County Housing Inventory:** The number of housing units in San Fernando represents 0.18 percent of the County's 2020 Housing Units and yet disproportionately represents 0.22 percent of the County's 813,082 RHNA Allocation.

- **TOD/HQTA:** The cities of Los Angeles and El Monte both have greater percentage of the County RHNA but these cities have several light rail stations and high-quality transit corridors/routes to justify TOD oriented projects. San Fernando does not have an existing light rail station and as explained in the next criteria, will not have a light rail station in the foreseeable future.
- **Net Residual Factor for Existing Need:** San Fernando believes that the distribution of the 122 “residual units” would have been more equitable and sustainable if it was allocated to job-rich jurisdictions, which also tend to have High Quality Transit Corridors and Areas. The allocation of the 122 “residual units” to San Fernando only encourages greater Vehicle Miles Traveled, increasing GHG emissions and worsening air quality.

#### CHANGED CIRCUMSTANCES SINCE APRIL 2019

Significant and unforeseen change in circumstances has occurred outside the control of San Fernando and merits a revision of the information used in developing the RHNA Allocation. The City’s long-range plan and vision were dramatically altered by the recent public announcement this month of Metro’s funding shortfall for the construction of the East San Fernando Valley Transit Corridor (ESFVTC) and the COVID-19 pandemic.

- **ESFVTC/HQTA:** In October 2020, Metro announced that the construction of the ESFVTC light rail project has been divided into two segments due to financial constraints (see Exhibit 4). Metro has sufficient funds to build only the Initial Operating Segment (IOS), connecting the existing Orange Line in Van Nuys to the Pacoima Station by 2028. However, Metro currently does not have funding for the second segment from the Pacoima Station, to the downtown San Fernando station and cities further north. It is unknown as to when funding will be secured for the second segment, possibly not for several more years past the end of the 6<sup>th</sup> Cycle in 2029. Furthermore, Metro Bus Line 234/734 is the main bus route connecting San Fernando to Los Angeles and is currently operating at 30-minute headways during the morning and afternoon peak traffic periods with the exception of the northbound 734, during the 5-6 p.m. weekday where there are four buses operating at 13-15 minute headways (see Exhibit 5). This does not meet the definition of a Major Transit Stop as there are no two intersecting bus lines with a frequency of service interval 15 minutes or less, nor does it meet the definition of a High Quality Transit Corridor, as only one bus line has service intervals 15 minutes or less during the northbound afternoon peak only. In summary, the ESFVTC light rail project is short of construction funds, the second leg into San Fernando and the construction of a downtown light rail station is on indefinite hold and will not be built within the 6<sup>th</sup> Cycle RHNA planning period. Further, there are no high frequency bus routes operating in San Fernando. The City of San Fernando does not qualify as a HQTA city.
- **COVID-19 Pandemic:** The COVID-19 pandemic has had a demonstrable impact on the national economy but San Fernando’s economy and residents have been hit particularly hard. The pandemic was an unforeseen impact during the development of the RHNA methodology and will definitely have long-lasting impacts on San Fernando’s economy

and housing market. The pandemic has devastated communities of color and San Fernando has not been spared. San Fernando is 92 percent Latino and one-third of the residents are in poverty (see Exhibit 6). The mortality rate for this population segment is shocking as Hispanics/Latinos have a 2.85 times greater death rate due to COVID-19 than whites and the ripple effects on San Fernando is unmistakable (see Exhibit 7). The majority of San Fernando’s businesses are small “mom and pop” businesses. These family businesses are especially hit hard by the pandemic and are forced to close temporarily but in many cases, permanently. San Fernando is a working-class community and the residents are struggling through this pandemic and are facing housing challenges. The pandemic’s domino effect is impacting the local businesses, property owners, and renters.

**Brief Description of Appeal Request and Desired Outcome:**

San Fernando respectfully request that the RHNA Allocation of 1,791 be reduced. San Fernando shares SCAG’s vision in seeking a path forward for the region to accommodate an evergrowing need for affordable housing production. We want to be a part of the solution but with only 25 potential housing sites, as identified in the 5<sup>th</sup> Cycle, it will be even more extremely difficult to accomplish this goal due to the new screening requirements imposed by AB 1397. In the 2019 Annual Element Progress Report, San Fernando developed 28 Very Low- and 151 Low-, and 46 Moderate-Income housing units, in excess of the RHNA targets. Today, San Fernando is in the midst of preparing its 6<sup>th</sup> Cycle Housing Element and will earnestly meet head-on its regional responsibilities and once again seek to expand eligible housing sites to provide as many housing units as possible.

**Number of units requested to be reduced or added to the jurisdiction’s draft RHNA allocation:**

**Reduced:** 500 (200 VL; 100 L; 100 Mod; 100 Above Mod)      **Added:** 0

**List of Supporting Documentation, by Title and Number of Pages**

- Exhibit 1: PW Water and Sewer Rate Options (9/16/19) [73 pgs.]
- Exhibit 2: PW Water and Sewer Fee Increase (11/26/19) [6 pgs.]
- Exhibit 3: Jobs Housing Balance [1 pg.]
- Exhibit 4: Metro ESFV IOS (PowerPoint presentation, October 2020) [7 pgs.]
- Exhibit 5: Bus Lines 234/734 Metro Local [2 pgs.]
- Exhibit 6: SCAG: Profile of the City of San Fernando [50 pgs.]
- Exhibit 7: LA County Public Health COVID-19 Link [1 pg.]

**FOR STAFF USE ONLY:**

Date: \_\_\_\_\_ Hearing Date \_\_\_\_\_ Planner: \_\_\_\_\_

# **Exhibit 1:**

## **PW Water and Sewer Rate Options (9/16/19)**

73 Pages



# City of San Fernando Water and Sewer Rate Study

Draft Report  
September 9, 2019



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# TABLE OF CONTENTS

SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY .....	1
1.1 Background .....	1
1.2 Requirements of Proposition 218 .....	1
1.3 San Juan Capistrano Court Case.....	2
1.4 Rate Study Process.....	3
1.5 Proposed Rates .....	4
SECTION 2: CURRENT RATES AND CUSTOMER BASE .....	9
2.1 Current Water Rates .....	9
2.2 Water Customer Base .....	10
2.3 Residential Tiered Water Use .....	12
2.4 Current Wastewater Rates.....	13
SECTION 3: WATER REVENUE REQUIREMENT .....	16
3.1 Revenues.....	16
3.2 Operations.....	16
3.3 Water Capital Improvement Plan .....	18
Water .....	21
3.4 Reserves .....	21
3.5 Water Fund Cash Flow .....	21
SECTION 4: WATER COST ALLOCATION .....	26
4.1 Methodology.....	26
4.2 Cost Allocation Results.....	26
SECTION 5: WATER RATE DESIGN .....	29
5.1 Billing Units .....	29
5.2 Unit Cost Calculation.....	30
5.3 Meter Fee Calculation.....	32
5.4 Usage Rate .....	32
5.5 Low Income Water Rate Assistance.....	33
5.6 Options Comparison .....	33
5.7 Proposed Water Rates .....	35
5.8 Bill Impacts.....	37
SECTION 6: SEWER REVENUE REQUIREMENT.....	40
6.1 Revenues.....	40
6.2 Operations.....	40
6.3 Sewer Capital Improvement Plan .....	42
6.4 Sewer Reserves .....	44
6.5 Sewer Fund Cash Flow .....	44
SECTION 7: SEWER COST ALLOCATION .....	48
7.1 Methodology.....	48
7.2 Cost Allocation Results.....	49
SECTION 8: SEWER RATE DESIGN.....	53
8.1 Reduced Multi-Family Residential Sewer Rate.....	53
8.2 Billing Units .....	54
8.3 Flow Analysis.....	55
8.4 Unit Cost Calculation.....	56



8.5	Options Comparison .....	58
8.6	Proposed Sewer Rates .....	59
8.7	Bill Impacts .....	61
SECTION 9: CONCLUSIONS AND RECOMMENDATIONS.....		63
9.1	Rate Study Conclusions.....	63
9.2	Utility Bill Comparison.....	63

Appendix A: Water Cost Allocations for Phase 2 Option  
Appendix B: Sewer Cost Allocations for Phase 2 Option

## LIST OF TABLES

Table 1: PHASE 1 Five Year Water Rate Plan .....	4
Table 2: PHASE 2 Five Year Water Rate Plan .....	5
Table 3: PHASE 1 Five Year Sewer Rate Plan .....	6
Table 4: PHASE 2 Five Year Sewer Rate Plan .....	7
Table 5: Current Water Rates .....	10
Table 6: Water Accounts and Estimated Revenue.....	11
Table 7: Water Use.....	11
Table 8: Current Average Bi-monthly Single Family Residential Water Bill.....	12
Table 9: Residential Tiered Water Use.....	12
Table 10: Current Bi-monthly Sewer Rates.....	14
Table 11: Sewer Accounts and Estimated Revenues .....	15
Table 12: History of Water Expenses .....	17
Table 13: Water Operating Expense Projection.....	18
Table 14: PHASE 1 - Water Capital Improvement Plan.....	19
Table 15: PHASE 2 - Water Capital Improvement Plan.....	20
Table 16: Water Option Comparison .....	22
Table 17: PHASE 1 - Water Utility Cash Flow .....	24
Table 18: PHASE 2 - Water Utility Cash Flow .....	25
Table 19: PHASE 1 - Water Cost Allocation.....	27
Table 20: PHASE 1 - Allocation to Fixed and Variable Cost Categories.....	28
Table 21: Water Billing Unit Projection .....	29
Table 22: Meter Equivalents .....	30
Table 23: PHASE 1 - Water Unit Cost Calculation .....	31
Table 24: PHASE 1 - FY2020 Water Fixed Charge Calculation.....	32
Table 25: FY2020 Water Rate Comparison .....	33
Table 26: Class Comparison of Meter Fee and Water Usage Rate Revenue .....	34
Table 27: Total Water Rate Revenue Class Comparison.....	35
Table 28: PHASE 1 Five Year Water Rate Plan .....	36
Table 29: PHASE 2 Five Year Water Rate Plan .....	37
Table 31: Single Family Residential Water Bill Impacts .....	38
Table 31: History of Sewer Expenses .....	41
Table 32: Sewer Operating Expense Projection.....	41
Table 33: Sewer Capital Improvement Plan.....	43
Table 34: Sewer Option Comparison .....	45
Table 35: PHASE 1 - Sewer Utility Cash Flow .....	46
Table 36: PHASE 2 - Sewer Utility Cash Flow .....	47
Table 38: Classification of Sewer Expenses by Function.....	49
Table 39: Sewer Loading Calculations.....	50
Table 40: Sewer Allocation Factors.....	51
Table 41: Sewer Revenue Requirements by Class – PHASE 1 .....	52
Table 42: Projected Sewer Customers .....	54
Table 43: Projected Sewer Flow (HCF).....	55
Table 44: PHASE 1 - Sewer Rate Derivation .....	56
Table 45: FY2020 Sewer Rate Comparison .....	58

City of San Fernando  
 Water and Sewer Rate Study 2019

Table 46: PHASE 1 Five Year Sewer Rate Plan ..... 59  
Table 47: PHASE 2 Five Year Sewer Rate Plan ..... 60  
Table 48: Sample Sewer Bill Impacts ..... 61

## SECTION 1: INTRODUCTION AND EXECUTIVE SUMMARY

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### 1.1 Background

The City of San Fernando (City) provides water and sewer service to over five thousand accounts. The City's water supply is provided via four groundwater wells. The City also has an "as-needed" water supply contract with the Metropolitan Water District of Southern California (MWD). San Fernando last imported water from MWD in 2015 and this study assumes that no future water purchases will be needed over the next five years. The City owns and operates a sewer collection system of about 220,000 linear feet of mainlines. Wastewater effluent is conveyed to the City of Los Angeles for treatment and disposal.

The City last conducted an in-depth utility rate study in 2011 to review the cost of service and design appropriate rates and charges. Based on the results of that study, sewer rates were last increased in fiscal year (FY) 2014/15 and water rates were last increased in FY2016/17. Since the prior rate study, the City has conducted an engineering analysis to determine needs for funding infrastructure repairs and improvements. Moreover, recent legal rulings have set more stringent requirements regarding how public agencies can implement tiered water rates.

### 1.2 Requirements of Proposition 218

Proposition 218, the "Right to Vote on Taxes Act", was approved by California voters in November 1996 and is codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 establishes requirements for imposing any new or increasing any existing property-related fees and charges. For many years, there was no legal consensus on whether water and sewer service fees met the definition of "property-related fees." In July 2007, the California Supreme Court essentially confirmed that Proposition 218 applies to water and wastewater (sewer) service fees.

The City must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The City must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.
2. **Public Hearing** – The City must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** - At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water and sewer rates and charges, including:

1. **Cost of Service** - Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** - Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** - The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** - No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** - No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water, sewer, and refuse collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to procedural requirements of Proposition 218.

**1.3 San Juan Capistrano Court Case**

The judge’s ruling in the Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano court case clarified the cost of service requirements applicable to tiered water rates in California. Under a tiered structure, higher levels of water use are charged a higher rate. To comply with Proposition 218, each water rate tier breakpoint (i.e. the consumption used in each tier) and the price of each tier must be individually cost-justified. The City of San Juan Capistrano was found to be out of compliance with Prop 218 requirements because the City arbitrarily developed its higher water tiers to achieve conservation goals. The City’s tiered rate structure did not reflect the actual cost of providing water to higher tiers.

San Fernando’s current water rate structure includes three tiers for residential water use. Non-residential customers are charged a uniform rate under which all levels of use are charged the same \$/hundred cubic foot rate. The current residential rates were developed prior to the San Juan Capistrano ruling. It is unclear if the City could provide a nexus between higher use and the higher potential cost of delivering water. It is recommended that the City transition all customers to a uniform water rate structure.

## 1.4 Rate Study Process

This section details the development of the City's water and sewer rates via the Proposition 218 process as shown in the following figure.

**Figure 1: Comprehensive Cost of Service Study Process**



The following is a brief description of the rate study process:

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the Water and Sewer Fund budgets. Based on the best information currently available, the financial plans incorporate projected operation and maintenance costs, capital expenditures, debt service, and growth to estimate annual revenue requirements. The plans serve as a roadmap for funding the City's future operating and capital programs while maintaining long-term fiscal stability.
- **Cost of Service Allocation** - The cost of service process builds on the financial plan analysis and assigns water and wastewater system costs to functional cost components: customer service, meters and services, base, and extra for water, and base, flow, and strength for sewer.

- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utilities' short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218.

## 1.5 Proposed Rates

The findings and recommendations presented in this report were developed with substantial input from City staff, the Ad Hoc Rates Advisory Committee, and City Council. Two water rate and three sewer rate options were developed based on varying levels of infrastructure funding. The water rate options are provided in Tables 1 and 2, and the sewer rate options are provided in Tables 4 and 5.

**Table 1: PHASE 1 Five Year Water Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<u>Meter Size</u>						
5/8" and 3/4"	\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94
1"	\$63.93	\$83.53	\$90.24	\$97.45	\$105.25	\$113.66
1-1/2"	\$108.20	\$154.23	\$166.61	\$179.92	\$194.32	\$209.86
2"	\$161.32	\$239.07	\$258.26	\$278.89	\$301.21	\$325.30
3"	\$302.99	\$465.31	\$502.66	\$542.81	\$586.25	\$633.14
4"	\$462.37	\$719.83	\$777.61	\$839.72	\$906.92	\$979.46
6"	\$905.07	\$1,426.83	\$1,541.36	\$1,664.47	\$1,797.67	\$1,941.46
<b>BI-MONTHLY COMMODITY CHARGES (rate per hcf)</b>						
<b>Single &amp; Multi-Family Residential</b>						
Tier 1: 0 - 18 hcf	\$1.31					
Tier 2: 19 - 36 hcf	\$2.67					
Tier 3: Over 36 hcf	\$3.56					
		<b>All customer classes</b>				
<b>Non-Residential</b>	\$2.38	\$2.27	\$2.46	\$2.66	\$2.87	\$3.10

**Table 2: PHASE 2 Five Year Water Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<b>Meter Size</b>						
5/8" and 3/4"	\$37.37	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
1"	\$63.93	\$87.49	\$98.08	\$109.87	\$123.05	\$137.80
1-1/2"	\$108.20	\$161.71	\$181.23	\$203.02	\$227.37	\$254.62
2"	\$161.32	\$250.78	\$281.01	\$314.80	\$352.56	\$394.81
3"	\$302.99	\$488.30	\$547.09	\$612.88	\$686.40	\$768.65
4"	\$462.37	\$755.51	\$846.43	\$948.22	\$1,061.97	\$1,189.22
6"	\$905.07	\$1,497.76	\$1,677.93	\$1,879.72	\$2,105.22	\$2,357.47
<b>BI-MONTHLY COMMODITY CHARGES (rate per hcf)</b>						
<b>Single &amp; Multi-Family Residential</b>						
Tier 1: 0 - 18 hcf	\$1.31					
Tier 2: 19 - 36 hcf	\$2.67					
Tier 3: Over 36 hcf	\$3.56					
<b>All customer classes</b>						
<b>Non-Residential</b>	\$2.38	\$2.35	\$2.63	\$2.94	\$3.30	\$3.69

HCF - hundred cubic feet; one HCF = 748 gallons



**Table 3: PHASE 1 Five Year Sewer Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<u>Customer Class</u>						
Single Family Residential	\$65.40	\$78.35	\$79.93	\$81.53	\$83.16	\$84.82
Multi-Family Residential	\$65.40	\$57.37	\$58.52	\$59.69	\$60.89	\$62.11
Group II Commercial (1)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Group III Commercial (2)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Group IV Commercial (3)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
City Property	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Industrial	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Schools (4)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Higher Education (4)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
<b>UNIT CHARGES (rate per hcf)</b>						
<u>Customer Class</u>						
Group II Commercial (1)	\$1.89	\$2.67	\$2.72	\$2.78	\$2.83	\$2.89
Group III Commercial (2)	\$3.04	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79
Group IV Commercial (3)	\$4.57	\$6.54	\$6.67	\$6.80	\$6.94	\$7.08
City Property	\$1.44	\$2.32	\$2.36	\$2.41	\$2.46	\$2.51
Industrial	\$1.44	\$2.38	\$2.43	\$2.48	\$2.53	\$2.58
Schools (4)	\$1.28	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86
Higher Education (4)	\$1.28	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86

SFR – single family residential; MFR – multi family residential

1 - Group II Commercial: auto parking, barber shop, car wash, church, commercial use, dental office/clinic, department & retail stores, film processing, food processing plant (industrial), health club/spa, hospitals, indoor theatre, laundromats, library: public ares, lumber yards, membership organizations, motion picture (studios), professional offices, social services, soft water service, theatre (cinema), and warehouse

2 - Group III Commercial: gas station (4 bays max), hotels/motels w/o restaurants, manufacturing, manufacturing (industrial), repair & service stations

3 - Group IV Commercial: bakeries (wholesale)/donut shop, banquet room/ball room, cafeteria, hotels/motels with restaurants, mortuary - embalming area, restaurants, supermarkets

4 - Charge per student

**Table 4: PHASE 2 Five Year Sewer Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<u>Customer Class</u>						
Single Family Residential	\$65.40	\$81.41	\$86.31	\$91.51	\$97.02	\$102.86
Multi-Family Residential	\$65.40	\$59.60	\$63.19	\$67.00	\$71.03	\$75.31
Group II Commercial (1)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Group III Commercial (2)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Group IV Commercial (3)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
City Property	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Industrial	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Schools (4)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Higher Education (4)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
<b>UNIT CHARGES (rate per hcf)</b>						
<u>Customer Class</u>						
Group II Commercial (1)	\$1.89	\$2.77	\$2.94	\$3.12	\$3.31	\$3.50
Group III Commercial (2)	\$3.04	\$4.60	\$4.88	\$5.17	\$5.48	\$5.81
Group IV Commercial (3)	\$4.57	\$6.79	\$7.20	\$7.63	\$8.09	\$8.58
City Property	\$1.44	\$2.41	\$2.55	\$2.71	\$2.87	\$3.04
Industrial	\$1.44	\$2.47	\$2.62	\$2.78	\$2.95	\$3.13
Schools (4)	\$1.28	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25
Higher Education (4)	\$1.28	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25

SFR – single family residential; MFR – multi family residential

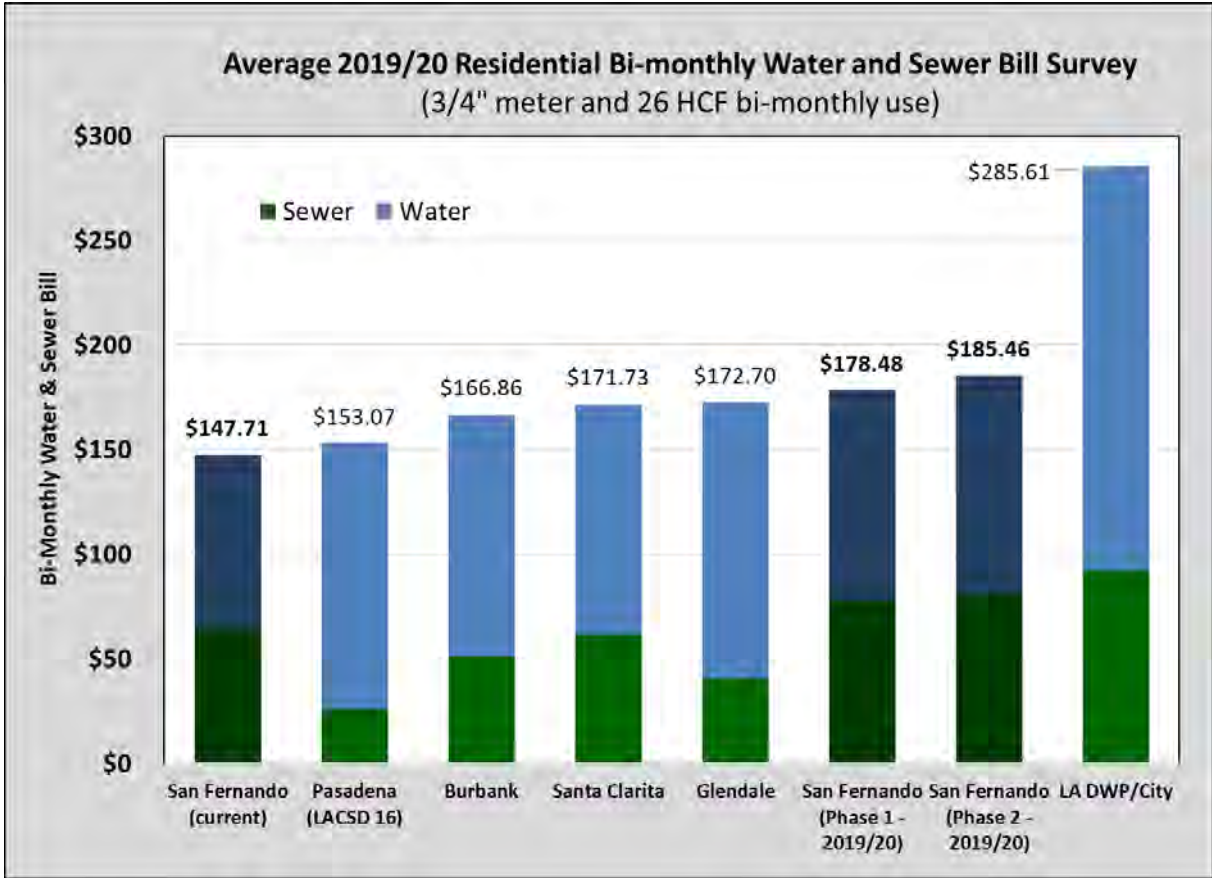
1 - Group II Commercial: auto parking, barber shop, car wash, church, commercial use, dental office/clinic, department & retail stores, film processing, food processing plant (industrial), health club/spa, hospitals, indoor theatre, laundromats, library: public ares, lumber yards, membership organizations, motion picture (studios), professional offices, social services, soft water service, theatre (cinema), and warehouse

2 - Group III Commercial: gas station (4 bays max), hotels/motels w/o restaurants, manufacturing, manufacturing (industrial), repair & service stations

3 - Group IV Commercial: bakeries (wholesale)/donut shop, banquet room/ball room, cafeteria, hotels/motels with restaurants, mortuary - embalming area, restaurants, supermarkets

4 - Charge per student

The average bi-monthly water use of a single family customer is 26 hundred cubic feet (HCF) and the most common residential meter size is 3/4". Based on these parameters, a utility bill survey was conducted comparing the City of San Fernando's current and proposed bills to other local agencies.



## SECTION 2: CURRENT RATES AND CUSTOMER BASE

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This section provides an overview of the City's current water and sewer rates, customer base, and current rate revenues.

### 2.1 Current Water Rates

The City bills for water and sewer service bi-monthly, i.e. each bill covers a two-month period. The City's water rate structure includes fixed meter charges and volume rates based on metered water usage.

#### 2.1.1 Fixed Charges

All customers, residential and non-residential, are charged the same fixed charges based on their meter size. The fixed charge is levied regardless of water consumption and recognizes that even when a customer does not use any water, the City incurs fixed costs associated with maintaining the ability or readiness to serve each connection. Meter size represents the estimated demand that each customer can place on the water system. A significant portion of a water system's design, and therefore, the utility's operating and capital costs are associated with meeting capacity requirements. The City's base meter size is either a 5/8" or 3/4" meter. Larger meters are charged based on their estimated capacity represented by meter ratios recommended by the American Water Works Association (AWWA). These meter capacity ratios provide a basis for charging customers proportional to the capacity that is reserved for them in the water system.

#### 2.1.2 Volume Rates

For residential customers, the City uses a tiered water rate structure in which higher levels of use are charged a higher rate per HCF. Non-residential customers are charged a uniform rate for all water use. Prior and current water rates are provided in Table 5.

**Table 5: Current Water Rates  
City of San Fernando  
Water and Sewer Rate Study 2019**

Water Rates							Annual Percent Change			
							2013/14	2014/15	2015/16	2016/17
<b>BI-MONTHLY FIXED CHARGES</b>							<b>FIXED CHARGES</b>			
<u>Meter Size</u>	<u>Meter Ratios</u>					<b>Current</b>				
5/8" and 3/4"	1.0	\$27.15	\$30.22	\$32.94	\$35.90	\$37.37	11%	9%	9%	4%
1"	2.5	\$45.58	\$50.73	\$55.30	\$60.27	\$63.93	11%	9%	9%	6%
1-1/2"	5.0	\$76.30	\$84.92	\$92.56	\$100.89	\$108.20	11%	9%	9%	7%
2"	8.0	\$113.16	\$125.94	\$137.27	\$149.63	\$161.32	11%	9%	9%	8%
3"	16.0	\$211.44	\$235.33	\$256.51	\$279.60	\$302.99	11%	9%	9%	8%
4"	25.0	\$322.02	\$358.40	\$390.65	\$425.81	\$462.37	11%	9%	9%	9%
6"	50.0	\$629.17	\$700.25	\$763.27	\$831.96	\$905.07	11%	9%	9%	9%
<b>BI-MONTHLY COMMODITY CHARGES (rate per hcf)</b>							<b>COMMODITY CHARGES</b>			
<b>Single &amp; Multi Family Residential</b>										
Tier 1: 0 - 18 hcf		\$0.89	\$1.00	\$1.11	\$1.20	\$1.31	12%	11%	8%	9%
Tier 2: 19 - 36 hcf		\$1.81	\$2.04	\$2.25	\$2.45	\$2.67	13%	10%	9%	9%
Tier 3: Over 36 hcf		\$2.42	\$2.72	\$3.00	\$3.27	\$3.56	12%	10%	9%	9%
<b>Non-Residential</b>										
		\$1.62	\$1.82	\$2.00	\$2.18	\$2.38	12%	10%	9%	9%

hcf - hundred cubic feet; one hcf = 748 gallons

## 2.2 Water Customer Base

Table 6 provides customer meter information and estimated revenues for FY2018/19. Single family residential customers make up about 76% of the City’s total water accounts. In FY2018/19, the City expects to collect about \$3.975 million in water service charges, of which about 37% is made up of fixed meter charges and 63% is water usage rate revenue. Table 7 provides annual water use and the bi-monthly average use per customer. The average single family water use is 26 HCF per bi-monthly period. Under current rates, the average bi-monthly bill is about \$82, see Table 8.

**Table 6: Water Accounts and Estimated Revenue  
City of San Fernando  
Water and Sewer Rate Study 2019**

Customer Class	5/8"	3/4"	1"	1.5"	2"	3"	4"	6"	Total	
Single Family	6	3,544	278	9	4	0	0	0	3,841	76%
Multi Family	1	283	104	37	24	3	2	0	454	9%
Church	0	14	13	10	12	0	0	0	49	1%
Commercial	0	210	96	57	58	7	0	0	428	8%
City	0	2	2	2	6	3	1	0	16	0%
Elementary School	0	1	0	2	6	2	2	0	13	0%
Higher Education	0	2	1	1	4	1	2	1	12	0%
Industrial	0	53	43	42	28	0	0	0	166	3%
<u>Irrigation</u>	<u>0</u>	<u>13</u>	<u>23</u>	<u>9</u>	<u>15</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>61</u>	<u>1%</u>
Total	7	4,122	560	169	157	16	8	1	5,040	100%

**2018/19 FIXED CHARGE REVENUE**

Bi-Monthly 2018/19 Fixed Charge	\$37.37	\$37.37	\$63.93	\$108.20	\$161.32	\$302.99	\$462.37	\$905.07		
2018/19 Fixed Charge Revenue	\$1,570	\$924,235	\$214,805	\$109,715	\$151,963	\$29,087	\$22,194	\$5,430	\$1,458,999	
									Total 2018/19 Budgeted Revenue	\$3,975,000
									Fixed	\$1,458,999 37%
									Variable	\$2,516,001 63%

**Table 7: Water Use  
City of San Fernando  
Water and Sewer Rate Study 2019**

Customer Class	CY2018 Water Use (HCF)	# of Meters	Avg Bi-monthly Use
Single Family	603,407	3,841	26
Multi Family	183,440	454	67
Church	17,852	49	61
Commercial	152,014	428	59
City	13,441	16	140
Elementary School	10,476	13	134
Higher Education	16,604	12	231
Industrial	101,590	166	102
<u>Irrigation</u>	<u>41,616</u>	<u>61</u>	<u>114</u>
Total	1,140,440	5,040	

CY - calendar year

**Table 8: Current Average Bi-monthly Single Family Residential Water Bill  
City of San Fernando  
Water and Sewer Rate Study 2019**

Category	Current Rate		# of Units		Total
Meter Fee (3/4")	\$37.37	x	1	meter	\$37.37
Usage Rates (\$/hcf)					
Tier 1: 0 - 18 hcf	\$1.31	x	18	hcf	\$23.58
Tier 2: 19 - 36 hcf	\$2.67	x	8	hcf	\$21.36
Tier 3: Over 36 hcf	\$3.56	x	0	hcf	<u>\$0.00</u>
Total Bi-monthly Water Bill (26 hcf)					\$82.31

### 2.3 Residential Tiered Water Use

A summary of the City’s residential tiered water use is provided in Table 9. The current tiered rate structure applies to both single family and multi-family residential customers. Thus, a four-unit apartment complex is allotted the same 18 hcf for Tier 1 as a single family home. Typically, public agencies assign tiers to multi-family customers based on the number of dwelling units. A four-unit apartment building would have a Tier 1 allotment of 72 (i.e. 18 HCF times 4 dwelling units). However, the City of San Fernando does not use this billing procedure. Instead, multi-family accounts are charged the same tiered allotments as single family and thus use more water in Tier 3.

L&T recommends transitioning from a tiered water rate structure for residential customers to a single uniform tier in which all customers pay the same usage rate. This transition is discussed further in Section 5.5 Usage Rate.

**Table 9: Residential Tiered Water Use  
City of San Fernando  
Water and Sewer Rate Study 2019**

Tier	Single Family		Multi Family		Total Residential (1)		Assumed in Prior Rate Study
	Use (HCF)	%	Use (HCF)	%	Use (HCF)	%	
Tier 1: 0 - 18 hcf	361,631	60%	44,551	24%	406,182	52%	40%
Tier 2: 19 - 36 hcf	165,051	27%	36,771	20%	201,822	26%	26%
Tier 3: Over 36 hcf	<u>76,725</u>	<u>13%</u>	<u>102,118</u>	<u>56%</u>	<u>178,843</u>	<u>23%</u>	<u>34%</u>
	603,407	100%	183,440	100%	786,847	100%	100%

1 - Single family and multi family

## 2.4 Current Wastewater Rates

The City has a separate schedule of charges for residential and commercial sewer customers. Residential customers, including both single family and multi-family customers, are billed a fixed bi-monthly fee charged on a per dwelling unit basis. Residential customers are not billed volume rates for sewer flow. Instead, the fixed residential fee is intended to recover the average cost of provided sewer service across the entire residential customer base.

Commercial customers are charged a fixed base fee plus volume rates based on metered water consumption. Most outdoor commercial water use is separately metered under an irrigation account and is not billed for sewer service. There are six sub-categories of non-residential sewer customers: Group II, Group III, Group IV, City property, industrial, and schools. Group II corresponds to low/domestic strength customers; Group III corresponds to medium strength customers; and Group IV corresponds to high strength customers. The volume rates correspond to the cost to convey and treat the wastewater pollutants of each group. Prior and current sewer rates are provided in Table 10.

The last water rate increase was in FY2016/17. However, sewer rates have not been increased since FY2014/15 as shown on Table 10.



**Table 10: Current Bi-monthly Sewer Rates  
City of San Fernando  
Water and Sewer Rate Study 2019**

Sewer Rates						Annual Percent Change			
	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
<b>BI-MONTHLY FIXED CHARGES</b>						<b>FIXED CHARGES</b>			
<u>Customer Class</u>									
Residential (SFR & MF)	\$56.64	\$62.30	\$65.40	\$65.40	\$65.40	10%	5%	0%	0%
Group II Commercial (1)	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
Group III Commercial (2)	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
Group IV Commercial (3)	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
City Property	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
Industrial	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
Schools (4)	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
Higher Education (4)	\$32.60	\$35.86	\$37.66	\$37.66	\$37.66	10%	5%	0%	0%
<b>UNIT CHARGES (rate per hcf)</b>						<b>COMMODITY CHARGES</b>			
<u>Customer Class</u>									
Group II Commercial (1)	\$1.63	\$1.80	\$1.89	\$1.89	\$1.89	10%	5%	0%	0%
Group III Commercial (2)	\$2.63	\$2.90	\$3.04	\$3.04	\$3.04	10%	5%	0%	0%
Group IV Commercial (3)	\$3.94	\$4.35	\$4.57	\$4.57	\$4.57	10%	5%	0%	0%
City Property	\$1.25	\$1.37	\$1.44	\$1.44	\$1.44	10%	5%	0%	0%
Industrial	\$1.25	\$1.37	\$1.44	\$1.44	\$1.44	10%	5%	0%	0%
Schools (4)	\$1.11	\$1.22	\$1.28	\$1.28	\$1.28	10%	5%	0%	0%
Higher Education (4)	\$1.11	\$1.22	\$1.28	\$1.28	\$1.28	10%	5%	0%	0%

SFR – single family residential; MFR – multi family residential

1 - Group II Commercial: auto parking, barber shop, car wash, church, commercial use, dental office/clinic, department & retail stores, film processing, food processing plant (industrial), health club/spa, hospitals, indoor theatre, laundromats, library: public ares, lumber yards, membership organizations, motion picture (studios), professional offices, social services, soft water service, theatre (cinema), and warehouse

2 - Group III Commercial: gas station (4 bays max), hotels/motels w/o restaurants, manufacturing, manufacturing (industrial), repair & service stations

3 - Group IV Commercial: bakeries (wholesale)/donut shop, banquet room/ball room, cafeteria, hotels/motels with restaurants, mortuary - embalming area, restaurants, supermarkets

4 - Charge per student (ADA)

Table 11 provides sewer rate revenues by category. About 74% revenues are collected from the fixed residential and commercial customer charges and about 26% of rate revenues are collected from the nonresidential flow rates.

**Table 11: Sewer Accounts and Estimated Revenues  
City of San Fernando  
Water and Sewer Rate Study 2019**

<b>Customer Class</b>	<b>No. of Accts or Dwelling Units</b>	<b>Bi-monthly Fixed Charge</b>	<b>Est. Fixed Charge Revenue</b>
Single Family Residential	3,813	\$65.40	\$1,496,221
Multi Family Residential	2,021	\$65.40	\$793,040
Group II Commercial	275	\$37.66	\$62,139
Group III Commercial	56	\$37.66	\$12,654
Group IV Commercial	88	\$37.66	\$19,884
City Property	15	\$37.66	\$3,389
Industrial	164	\$37.66	\$37,057
Schools	13	\$37.66	\$2,937
<b>Total</b>	<b>6,445</b>		<b>\$2,427,323</b>
<b>SEWER REVENUES</b>			
Sewer Fixed Charges	\$2,427,323	74%	
<u>Variable Charges</u>	<u>\$847,220</u>	<u>26%</u>	
Total Sewer Service Charges (1)	\$3,274,543	100%	

1 - Source: FINAL - Enterprise Funds Budget Worksheet

## SECTION 3: WATER REVENUE REQUIREMENT

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Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves. The water and sewer utility cost of service was developed based on the FY2019/20 adopted budget, capital project lists developed by staff, and reserve recommendations based on City policies.

### 3.1 Revenues

For FY2019/20, the City budgeted about \$4.3 million in Water Fund Revenues. The vast majority, \$3.975 million, consists of water service rates and charges. Other revenue categories include meter and fire services, installation fees, capital facilities fees, backflow prevention fees, interest income, and delinquent penalties. Interest income and delinquent penalties are expected to generate non-rate revenues of about \$90,000 in FY2019/20. If the City wishes to pursue a low-income rate program, it is recommended that these revenues be used as the funding source. The Water Fund's other revenue sources are subject to the provisions of Proposition 218 and 26 and cannot be used to fund ratepayer discounts.

### 3.2 Operations

In FY2019/20, the water operating budget is approximately \$3.87 million. Major line-items include administration, salaries and benefits, maintenance, water supply-related costs, and repayment of an internal loan from the Sewer Fund. A detailed expense summary is provided in Table 12 and a five-year projection of water expenses is provided in Table 13. Personnel costs are projected to increase by 4% annually while all other operating expenses are projected to increase by 3% over the next 5 years.

**Table 12: History of Water Expenses  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Actual			Budget		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Water Attorney</b>						
Operating & Maintenance Expenses	\$1,220	\$1,560	\$1,000	\$0	\$0	\$0
<b>Water Retirement</b>						
Personnel Costs	73,407	(46,304)	88,771	75,000	75,000	225,000
<b>Water Administration</b>						
Personnel Costs	195,475	974,622	1,282,446	1,042,805	1,005,930	1,240,750
Operating & Maintenance Expenses						
Interest Expense (1)	5,191	7,007	10,365	75,000	75,000	131,300
Other O&M Expenses	83,213	111,980	115,986	174,483	171,683	247,787
Subtotal O&M Expenses	88,404	118,988	126,351	249,483	246,683	379,087
Cost Allocation (2)	398,735	398,735	455,902	456,469	463,939	511,160
Internal Service Charges (3)	0	277,538	281,360	295,741	272,667	239,821
Capital Costs	654	0	0	0	0	0
Transfers (4)	119,054	120,000	120,000	132,434	132,434	132,434
Subtotal Water Administration	802,321	1,889,883	2,266,059	2,176,932	2,121,653	2,503,252
<b>Water Billing</b>						
Personnel Costs	232,900	149,496	139,370	135,998	168,002	174,493
Operating & Maintenance Expenses	47,230	33,624	21,081	80,000	80,000	55,000
Internal Service Charges	0	17,718	24,764	28,757	30,752	34,946
Subtotal Water Billing	280,130	200,837	185,215	244,755	278,754	264,439
<b>Water Distribution</b>						
Personnel Costs	371,310	24,136	0	0	0	0
Operating & Maintenance Expenses	73,046	68,379	72,557	118,000	228,500	118,500
Capital Costs	665,560	2,260	23,663	1,400	0	0
Subtotal Water Distribution	1,109,916	94,776	96,220	119,400	228,500	118,500
<b>Water Production</b>						
Personnel Costs	411,864	50,649	0	0	0	0
Utilities	198,712	175,889	212,108	170,000	170,000	170,000
Contractual Services	112,848	157,942	70,049	200,000	150,000	150,000
Operating & Maintenance Expenses	278,887	202,208	155,699	250,650	249,950	345,950
Capital Costs	54,248	1,900	0	0	0	0
Transfers	8,634	1,000	0	0	0	0
Subtotal Water Production	1,065,193	589,589	437,856	620,650	569,950	665,950
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,332,188</b>	<b>\$2,730,340</b>	<b>\$3,075,121</b>	<b>\$3,236,737</b>	<b>\$3,273,857</b>	<b>\$3,777,141</b>
Percent Change		-18%	13%	5%	1%	15%
<b>CAPITAL EXPENSES</b>						
<b>TOTAL WATER CAPITAL</b>	<b>\$0</b>	<b>\$69,906</b>	<b>\$96,692</b>	<b>\$801,128</b>	<b>\$342,750</b>	<b>\$2,219,000</b>
Percent Change		-	38%	729%	-57%	547%
<b>TOTAL WATER BUDGET</b>	<b>\$3,332,188</b>	<b>\$2,800,246</b>	<b>\$3,171,813</b>	<b>\$4,037,865</b>	<b>\$3,616,607</b>	<b>\$5,996,141</b>
Percent Change		-16%	13%	27%	-10%	66%

- 1 - Loan re-payment to sewer. Includes principal payment for budget purposes.
- 2 - Transfer to General Fund to over indirect costs (including payroll, human resources, accounting, IT & computer support services, and
- 3 - Includes Liability Charge, Equipment Maintenance Charge, Equipment Replacement Charge, and Facility Maintenance Charge
- 4 - Includes \$60,000 for rental charges for the use of 120 Macneil. Amount charged is based on the square footage of the building and the number of employees occupying the building. Includes \$60,000 for property insurance premiums for well sites. Includes \$12,434 to repay Retirement Fund for pension loan.

**Table 13: Water Operating Expense Projection  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Budget 2019/20	Escalation Factor	Rate Study			
			2020/21	2021/22	2022/23	2023/24
Personnel Costs	\$1,640,243	4%	\$1,706,000	\$1,774,000	\$1,845,000	\$1,919,000
O & M Expenses	767,237	3%	790,000	814,000	838,000	863,000
Interest Expense for Internal Debt (1)	131,300	-	131,300	131,300	131,300	131,300
Cost Allocation (2)	511,160	3%	526,000	542,000	558,000	575,000
Utilities	170,000	3%	175,000	180,000	185,000	191,000
Contractual Services	150,000	3%	155,000	160,000	165,000	170,000
Internal Service Charges (3)	274,767	3%	283,000	291,000	300,000	309,000
Transfers (4)	132,434	0%	132,000	132,000	132,000	132,000
Low Income Program (5) (OPT 1)	90,000		106,300	109,600	114,000	121,500
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,867,141</b>		<b>\$4,004,600</b>	<b>\$4,133,900</b>	<b>\$4,268,300</b>	<b>\$4,411,800</b>
<i>% Change</i>	<i>18%</i>		<i>4%</i>	<i>3%</i>	<i>3%</i>	<i>3%</i>

- 1 - Loan re-payment to sewer. Includes principal payment for budget purposes.
- 2 - Transfer to General Fund to over indirect costs (including payroll, human resources, accounting, IT & computer support services, and management support). The actual amounts charged are calculated by an outside consultant using various statistical data such as the adopted
- 3 - Includes Liability Charge, Equipment Maintenance Charge, Equipment Replacement Charge, and Facility Maintenance Charge
- 4 - Includes \$60,000 for rental charges for the use of 120 Macneil. Amount charged is based on the square footage of the building and the number of employees occupying the building. Includes \$60,000 for property insurance premiums for well sites. Includes \$12,434 to repay
- 5 - The annual cost of the Low Income Program should be equal to the non-rate revenues generated from interest earnings and delinquent pen

### 3.3 Water Capital Improvement Plan

Two water capital improvement plan options were developed based on input from the City. Phase 1 includes \$8.9 million of infrastructure improvements focusing on water main replacements, as shown on Table 14. Phase 1 assumes new debt issuances to fund construction costs.

Phase 2 consists of a fully funded plan, totaling \$22.4 million, as detailed in Table 15. Phase 2 includes all the projects in the Phase 1 plan in addition to a new ion exchange system, automated meters, and a one million gallon reservoir. Phase 2 assumes new debt issuances to fund construction costs. For the new reservoir, it is assumed that the City will fund \$8.75 million of the estimated \$10 million cost with a grant in FY2023/24.

**Table 14: PHASE 1 - Water Capital Improvement Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

Water Capital Improvement Plan (CIP)						
	Rate Study					5-Year Total
	2019/20	2020/21	2021/22	2022/23	2023/24	
<b>WATER MAIN PROJECTS</b>						
Glenoaks Blvd - Hubbard to Harding - 18" Stl Conc to 18" DIP	750,000	0	0	0	0	\$750,000
Hollister Street - Kalisher to S. Huntington - 6" Stl to 8" DIP	150,000	0	0	0	0	\$150,000
N Workman Street - Second to Fourth Streets - 6" Stl to 8" DIP	105,000	0	0	0	0	\$105,000
Celis Street - Wolfskill St to Brand Blvd - 6" Stl to 8" DIP	150,000	0	0	0	0	\$150,000
N. Workman Street - Glenoaks to Seventh St - 6" CIP to 8" DIP	370,500	0	0	0	0	\$370,500
Lucas Street - N.Workman to Orange Grove - 6" CIP to 8" DIP	156,400	0	0	0	0	\$156,400
N Lazard Street - Fourth St to Fifth St	1,750	0	0	0	0	\$1,750
S. Workman Street - Behind Store Fronts 4" CIP to 8" DIP	30,000	0	0	0	0	\$30,000
Arroyo Avenue - Fifth St to Glenoaks Blvd	60,000	0	0	0	0	\$60,000
Harding Avenue - Glenpaks Blvd to Eighth St	0	790,000	0	0	0	\$790,000
Phillippi Street - Hubbard Ave to Orange Grove Ave	0	290,000	0	0	0	\$290,000
Griswold Ave - Fourth St. to Third St. 4" Stl to 8" DIP	0	68,000	0	0	0	\$68,000
Alley e/o No.Maclay Ave. Fourth St. to Library St. 4" Stl to 8" CIP	0	90,000	0	0	0	\$90,000
Seventh St - Orange Grove Ave to Hubbard St 6" ACP to 8" DIP	0	280,000	0	0	0	\$280,000
Orange Grove Ave - Seventh St to Eighth St 6" ACP to 8" DIP	0	195,000	0	0	0	\$195,000
Hubbard - Dronfield to Glenoaks - 18" Stl to 18" DIP	0	567,000	0	0	0	\$567,000
Hollister Street - Mid Block to Chatsworth 6" Stl to 8" DIP	0	54,000	0	0	0	\$54,000
Hubbard St, Foothill Blvd to Dronfield Ave. - 18" Stl Conc to 18" DIP	0	0	407,500	0	0	\$407,500
Hagar Street, 5th to Glenoaks - 6" CIP to 8" DIP	0	0	187,500	0	0	\$187,500
Fox Street - Pico to Hewitt - Loop/ New Installation - New 8" DIP	0	0	0	127,500	0	\$127,500
Newton Avenue - Fourth St. to Third St. 4" CIP to 8" DIP	0	0	0	68,000	0	\$68,000
De Haven Street - N. Brand to Griswold St. 4" CIP to 8" DIP	0	0	0	100,500	0	\$100,500
De Garmo Street - N. Brand to Griswold St. - 6" CIP to 8" DIP	0	0	0	100,500	0	\$100,500
Alexander St - Fifth Street to Glenoaks Boulevard 6" CIP to 8" DIP	0	0	0	189,000	0	\$189,000
Brand Blvd, San Fernando Rd to South City Limit - Relocation of 8" DIP	0	0	0	0	520,000	\$520,000
<i>Subtotal Water Main Projects</i>	<i>1,773,650</i>	<i>2,334,000</i>	<i>595,000</i>	<i>585,500</i>	<i>520,000</i>	<i>5,808,150</i>
<b>SYSTEM IMPROVEMENTS</b>						
Security Fencing	272,000	0	0	0	0	\$272,000
Arroyo Booster #1 Rehabilitation	25,000	0	0	0	0	\$25,000
MWD Booster Pump # 4	23,983	0	0	0	0	\$23,983
Ion-Exchange Removal System - Phase II, Well #3	0	0	0	0	0	\$0
Well 2A Rehabilitation	0	0	130,000	0	0	\$130,000
Well 2A Electrical Upgrades	0	0	60,000	0	0	\$60,000
<i>Subtotal System Improvements</i>	<i>320,983</i>	<i>0</i>	<i>190,000</i>	<i>0</i>	<i>0</i>	<i>510,983</i>
<b>MISCELLANEOUS &amp; EQUIPMENT</b>						
Water Masterplan	80,000	0	0	0	0	\$80,000
Ion Exchange Treatment Unit - O&M (Contract No. 1729)	175,000	175,000	175,000	175,000	0	\$700,000
Ion Exchange Treatment Unit - Operating Costs	110,000	110,000	110,000	110,000	110,000	\$550,000
StarLite Solar Arrow Board - Equipment # 0720	0	0	0	0	0	\$0
Chevy 2500HD - Vehicle 9503	0	0	0	0	0	\$0
Well 4A Building Expansion Block Building	102,960	0	0	0	0	\$102,960
AMI Meter Reading	0	0	0	0	0	\$0
Security Bldg for ION-Exchange Treatment System, 12900 Dronfield Block Bldg	84,240	0	0	0	0	\$84,240
Chevy 2500HD - Vehicle # 8095	44,100	0	0	0	0	\$44,100
Ford Ranger - Vehicle # 3241	30,000	0	0	0	0	\$30,000
EDEN Upgrade	30,000	0	0	0	0	\$30,000
Facility Maintenance - 12900 Dronfield Roadway	156,000	0	0	0	0	\$156,000
Construct New Reservoir to Increase Capacity	0	0	0	0	0	\$0
Ford F-150 (CNG) - Vehicle # 4416	0	45,000	0	0	0	\$45,000
Ford F-450 - Vehicle # 4573	0	0	55,000	0	0	\$55,000
Whiteman MLTDA7 (Stadium Lighting) - Generator # 0246	0	0	30,000	0	0	\$30,000
Hyster Forklift - Vehicle # 5289	0	0	0	40,000	0	\$40,000
John Deere 310SK Backhoe - Vehicle # 2571	0	0	0	0	140,000	\$140,000
Well 4A Rehabilitation	0	0	0	0	400,000	\$400,000
Water Department Office Expansion (120 Macneil) - Block Building	0	0	0	0	90,200	\$90,200
<i>Subtotal Miscellaneous Equipment</i>	<i>812,300</i>	<i>330,000</i>	<i>370,000</i>	<i>325,000</i>	<i>740,200</i>	<i>2,577,500</i>
<b>TOTAL WATER CIP (Current \$)</b>	<b>\$2,906,933</b>	<b>\$2,664,000</b>	<b>\$1,155,000</b>	<b>\$910,500</b>	<b>\$1,260,200</b>	<b>\$8,896,633</b>

**Table 15: PHASE 2 - Water Capital Improvement Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

Water Capital Improvement Plan (CIP)						
	Rate Study					5-Year Total
	2019/20	2020/21	2021/22	2022/23	2023/24	
<b>WATER MAIN PROJECTS</b>						
Glenoaks Blvd - Hubbard to Harding - 18" Stl Conc to 18" DIP	750,000	0	0	0	0	\$750,000
Hollister Street - Kalisher to S. Huntington - 6" Stl to 8" DIP	150,000	0	0	0	0	\$150,000
N Workman Street - Second to Fourth Streets - 6" Stl to 8" DIP	105,000	0	0	0	0	\$105,000
Celis Street - Wolfskill St to Brand Blvd - 6" Stl to 8" DIP	150,000	0	0	0	0	\$150,000
N. Workman Street - Glenoaks to Seventh St - 6" CIP to 8" DIP	370,500	0	0	0	0	\$370,500
Lucas Street - N.Workman to Orange Grove - 6" CIP to 8" DIP	156,400	0	0	0	0	\$156,400
N Lazard Street - Fourth St to Fifth St	1,750	0	0	0	0	\$1,750
S. Workman Street - Behind Store Fronts 4" CIP to 8" DIP	30,000	0	0	0	0	\$30,000
Arroyo Avenue - Fifth St to Glenoaks Blvd	60,000	0	0	0	0	\$60,000
Harding Avenue - Glenpaks Blvd to Eighth St	790,000	0	0	0	0	\$790,000
Phillippi Street - Hubbard Ave to Orange Grove Ave	290,000	0	0	0	0	\$290,000
Griswold Ave - Fourth St. to Third St. 4" Stl to 8" DIP	0	68,000	0	0	0	\$68,000
Alley e/o No. Maclay Ave. Fourth St. to Library St. 4" Stl to 8" CIP	0	90,000	0	0	0	\$90,000
Seventh St - Orange Grove Ave to Hubbard St 6" ACP to 8" DIP	0	280,000	0	0	0	\$280,000
Orange Grove Ave - Seventh St to Eighth St 6" ACP to 8" DIP	0	195,000	0	0	0	\$195,000
Hubbard - Dronfield to Glenoaks - 18" Stl to 18" DIP	0	567,000	0	0	0	\$567,000
Hollister Street - Mid Block to Chatsworth 6" Stl to 8" DIP	0	54,000	0	0	0	\$54,000
Hubbard St, Foothill Blvd to Dronfield Ave. - 18" Stl Conc to 18" DIP	0	0	407,500	0	0	\$407,500
Hagar Street, 5th to Glenoaks - 6" CIP to 8" DIP	0	0	187,500	0	0	\$187,500
Fox Street - Pico to Hewitt - Loop/ New Installation - New 8" DIP	0	0	0	127,500	0	\$127,500
Newton Avenue - Fourth St. to Third St. 4" CIP to 8" DIP	0	0	0	68,000	0	\$68,000
De Haven Street - N. Brand to Griswold St. 4" CIP to 8" DIP	0	0	0	100,500	0	\$100,500
De Garmo Street - N. Brand to Griswold St. - 6" CIP to 8" DIP	0	0	0	100,500	0	\$100,500
Alexander St - Fifth Street to Glenoaks Boulevard 6" CIP to 8" DIP	0	0	0	189,000	0	\$189,000
Brand Blvd, San Fernando Rd to South City Limit - Relocation of 8" DIP	0	0	0	0	520,000	\$520,000
<i>Subtotal Water Main Projects</i>	<u>2,853,650</u>	<u>1,254,000</u>	<u>595,000</u>	<u>585,500</u>	<u>520,000</u>	<u>5,808,150</u>
<b>SYSTEM IMPROVEMENTS</b>						
Security Fencing	272,000	0	0	0	0	\$272,000
Arroyo Booster #1 Rehabilitation	25,000	0	0	0	0	\$25,000
MWD Booster Pump # 4	23,983	0	0	0	0	\$23,983
Ion-Exchange Removal System - Phase II, Well #3	0	2,000,000	0	0	0	\$2,000,000
Well 2A Rehabilitation	0	0	130,000	0	0	\$130,000
Well 2A Electrical Upgrades	0	0	60,000	0	0	\$60,000
<i>Subtotal System Improvements</i>	<u>320,983</u>	<u>2,000,000</u>	<u>190,000</u>	<u>0</u>	<u>0</u>	<u>2,510,983</u>
<b>MISCELLANEOUS &amp; EQUIPMENT</b>						
Water Masterplan	80,000	0	0	0	0	\$80,000
Ion Exchange Treatment Unit - O&M (Contract No. 1729)	175,000	175,000	175,000	175,000	0	\$700,000
Ion Exchange Treatment Unit - Operating Costs	110,000	110,000	110,000	110,000	110,000	\$550,000
StarLite Solar Arrow Board - Equipment # 0720	0	0	0	0	0	\$0
Chevy 2500HD - Vehicle 9503	0	0	0	0	0	\$0
Well 4A Building Expansion Block Building	102,960	0	0	0	0	\$102,960
AMI Meter Reading	0	0	1,500,000	0	0	\$1,500,000
Security Bldg for ION-Exchange Treatment System, 12900 Dronfield Block Bldg	84,240	0	0	0	0	\$84,240
Chevy 2500HD - Vehicle # 8095	44,100	0	0	0	0	\$44,100
Ford Ranger - Vehicle # 3241	30,000	0	0	0	0	\$30,000
EDEN Upgrade	30,000	0	0	0	0	\$30,000
Facility Maintenance - 12900 Dronfield Roadway	156,000	0	0	0	0	\$156,000
Construct New Reservoir to Increase Capacity	0	0	0	0	10,000,000	\$10,000,000
Ford F-150 (CNG) - Vehicle # 4416	0	45,000	0	0	0	\$45,000
Ford F-450 - Vehicle # 4573	0	0	55,000	0	0	\$55,000
Whiteman MLTDA7 (Stadium Lighting) - Generator # 0246	0	0	30,000	0	0	\$30,000
Hyster Forklift - Vehicle # 5289	0	0	0	40,000	0	\$40,000
John Deere 310SK Backhoe - Vehicle # 2571	0	0	0	0	140,000	\$140,000
Well 4A Rehabilitation	0	0	0	0	400,000	\$400,000
Water Department Office Expansion (120 Macneil) - Block Building	0	0	0	0	90,200	\$90,200
<i>Subtotal Miscellaneous Equipment</i>	<u>812,300</u>	<u>330,000</u>	<u>1,870,000</u>	<u>325,000</u>	<u>10,740,200</u>	<u>14,077,500</u>
<b>TOTAL WATER CIP (Current \$)</b>	<b>\$3,986,933</b>	<b>\$3,584,000</b>	<b>\$2,655,000</b>	<b>\$910,500</b>	<b>\$11,260,200</b>	<b>\$22,396,633</b>

### 3.4 Water Reserves

The City's *Contingency and Stabilization Reserve Fund* stipulates a target of 25 percent of annual operating expenses. The City's *Infrastructure Replacement Reserve Fund* does not require a specific target. The policy states that "contribution rate is intended to level-amortize the cost of infrastructure replacement projects over a long period of time." The City's *2011 Tiered Water Rate Study* recommended a Capital Repair and Replacement reserve to be "funded with the annual amount of depreciation, plus any excess funds from the operating reserve." Adequate fund reserves protect the City when faced with unforeseen financial challenges such as emergency expenses and revenue deficits. Furthermore, the Water Fund may be required to maintain certain levels of reserves to obtain debt financing.

For this rate study, the Operating Reserve target is 25 percent of annual operating expenses. A Capital Reserve target of \$1 million is also included in the cash flow analysis. This target is a placeholder and can be modified based on input from the City. The fund reserve target will escalate as the Water Fund's expenses increase over time. It is acceptable if reserves dip below the target on a temporary basis, provided the City takes action to attain the target over the longer run.

### 3.5 Water Fund Cash Flow

#### 3.5.1 Cash Flow Objectives

Based on the FY2019/20 adopted budget, the Water Fund is projected to begin FY2019/20 with a fund balance of \$3.2 million. Over the five-year rate study period, rate increases are proposed to meet the following objectives, in order of importance:

- 1) Fund operating costs
- 2) Fund debt service costs
- 3) Meet or exceed the debt service coverage requirement of 1.25 times the annual payment
- 4) Fund capital costs
- 5) Each year's ending fund balance should meet or exceed the target of 25% of operating expenses plus \$1 million in capital reserves
- 6) The fund balance at the end of the 5-year rate plan should roughly equal the current fund balance of \$3.8 million

The final objective listed above avoids a situation in which the City under-charges the cost of service through the end of FY2023/24. The cash flows included in this report were optimized to use the available fund balance to overcome year to year funding shortfalls only and not to subsidize the long-term cost of service.

#### 3.5.2 Summary of Options

A summary of the two Water Fund Options and revenue adjustments is provided in Table 16. Phase 1 is based on generating sufficient revenue each year to cover the cost of basic ongoing maintenance and



repair of the City’s water infrastructure and the implementation of an \$8.9 million water capital improvement plan that focuses on water main replacement. Phase 1 increases include an initial adjustment to all rate categories on January 1, 2020 followed by annual rate increases of 8% beginning on January 1, 2021 through January 1, 2024.

Phase 2 includes all Phase 1 expenses with added funding to pay for an additional \$13 million in infrastructure improvements. These projects include a new ion exchange system, automated water meters, and a 1 million gallon reservoir. Phase 2 increases include an initial adjustment to all rate categories on January 1, 2020 followed by annual rate increases of 12% percent beginning on January 1, 2021 through January 1, 2024.

**Table 16: Water Option Comparison  
City of San Fernando  
Water and Sewer Rate Study 2019**

Revenue Adjustment Comparison						
Option	Description	2019/20	2020/21	2021/22	2022/23	2023/24
<b>#1</b>	<b><u>REDUCED WATER INFRASTRUCTURE IMPROVEMENTS</u></b> - Funds projects totaling \$8.9 million. Excludes Nitrate Removal, AMI Meters, and the New Reservoir. - \$2.0 million loan projected in FY2019/20 - \$2.0 million loan projected in FY2020/21	8.0%	8.0%	8.0%	8.0%	8.0%
<b>#2</b>	<b><u>FULL WATER INFRASTRUCTURE IMPROVEMENTS</u></b> - Funds all projects totaling \$22.4 million - \$3.0 million loan projected in FY2019/20 - \$3.0 million loan projected in FY2020/21 - \$2.0 million loan projected in FY2021/22 - Assumes New Reservoir in FY2023/24 for \$10 million will be 80% grant funded and 20% cash funded	12.0%	12.0%	12.0%	12.0%	12.0%

**3.5.3 Revenues**

The cash flows for both options are presented in Table 17 and Table 18. The first rate increase will go into effect on January 1, 2020 when water consumption is generally lower, and therefore, minimizing the impact to ratepayers. Subsequent rate increases are assumed to go into effect January 1 of each year through January 1, 2024. The rate revenue projection includes customer growth of 0.5% annually. Non-rate revenues associated with interest income and delinquent charges can be pledged toward a new low-income rate payer assistance program.

### 3.5.4 Expenses

Operating expenses shown in the cash flows are taken from Table 13 and capital project costs are taken from the above tables. Both capital plans assume that the City will need to issue debt. The debt issuances shown in the cash flow projections are for informational purposes only. Conservative debt financing terms and conditions were assumed (i.e. slightly high interest rates and short repayment periods). The projections assume that repayment will begin the year following the debt issuance. Moreover, any new debt would be subject to the industry standard debt service coverage requirement of 1.25 times meaning that net operating revenues should exceed the annual debt service payment by 25%. It is unknown if the Water Fund's debt to the Sewer Fund would apply towards the debt coverage calculation.

For Phase 2, the \$10 million new reservoir will be funded with \$8.75 million in grant funding and \$1.25 million taken from Water Fund reserves as matching funds.

**Table 17: PHASE 1 - Water Utility Cash Flow**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Years 1 -5: Proposition 218				
	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24
<b>1 Assumptions:</b>					
2 Overall Revenue Adjustment	8.0%	8.0%	8.0%	8.0%	8.0%
3 Date Rate Increase Effective	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
5 Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%
6 Other Revenues	3.0%	3.0%	3.0%	3.0%	3.0%
7 Growth - %	0.5%	0.5%	0.5%	0.5%	0.5%
<b>8 BEGINNING FUND BALANCE</b>	\$3,224,666	\$2,917,616	\$2,834,616	\$2,302,066	\$2,275,416
<b>9 Water Sales based on 12 months</b>	4,314,000	4,682,000	5,082,000	5,516,000	5,987,000
<b>10 REVENUES</b>					
11 Water Sales (1)	4,145,000	4,414,000	4,748,000	5,132,000	5,560,000
12 Interest Income	15,000	29,000	28,000	23,000	23,000
13 Delinquent Penalties	75,000	77,300	79,600	82,000	84,500
14 Meter & Fire Service	120,000	123,600	127,300	131,100	135,000
15 Water Installation Charges	50,000	51,500	53,000	54,600	56,200
16 Capital Facilities Charges	50,000	51,500	53,000	54,600	56,200
17 Backflow Prevention Fee	12,000	12,400	12,800	13,200	13,600
19 Total Revenues	4,467,000	4,759,300	5,101,700	5,490,500	5,928,500
<b>20 EXPENSES</b>					
<b>21 Operating &amp; Maintenance</b>					
22 Personnel Costs	1,640,200	1,706,000	1,774,000	1,845,000	1,919,000
23 O & M Expenses	767,200	790,000	814,000	838,000	863,000
24 Interest Expense (Internal Debt)	131,300	131,300	131,300	131,300	131,300
25 Cost Allocation	511,200	526,000	542,000	558,000	575,000
26 Utilities	170,000	175,000	180,000	185,000	191,000
27 Contractual Services	150,000	155,000	160,000	165,000	170,000
28 Internal Service Charges	274,800	283,000	291,000	300,000	309,000
29 Capital Costs	0	0	0	0	0
30 Transfers	132,400	132,000	132,000	132,000	132,000
31 Low Income Program (2)	90,000	106,300	107,600	105,000	107,500
32 Subtotal O&M	3,867,100	4,004,600	4,131,900	4,259,300	4,397,800
<b>33 Capital Projects</b>					
<i>Capital Improvement Plan (CIP)</i>					
34 System Improvements	321,000	0	190,000	0	0
35 Miscellaneous & Equipment	812,300	330,000	370,000	325,000	740,200
36 Water Main Projects	1,773,650	2,334,000	595,000	585,500	520,000
37 Less Grant Funding	0	0	0	0	0
38 Less New Debt Proceeds (3)	(2,000,000)	(2,000,000)	0	0	0
37 Subtotal Capital Projects	906,950	664,000	1,155,000	910,500	1,260,200
<b>38 Debt Service</b>					
39 New Debt (3)	0	173,700	347,350	347,350	347,400
40 Subtotal Debt Service	0	173,700	347,350	347,350	347,400
<b>41 Total Expenses</b>	4,774,050	4,842,300	5,634,250	5,517,150	6,005,400
<b>42 Net Revenues (Revs Less Exps)</b>	(307,050)	(83,000)	(532,550)	(26,650)	(76,900)
<b>43 ENDING FUND BALANCE</b>	2,917,616	2,834,616	2,302,066	2,275,416	2,198,516
<b>44 Fund Reserve Target</b>					
45 Operating Reserve Target (25% of O&M)	966,800	1,001,200	1,033,000	1,064,800	1,099,500
46 Capital Reserve Target (\$1M)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
47 Total Water Fund Reserves	1,966,800	2,001,200	2,033,000	2,064,800	2,099,500
48 Target Met	yes	yes	yes	yes	yes
49 Debt Service Coverage (1.25x)	-	4.34	2.79	3.54	4.41
50 Target Met	-	yes	yes	yes	yes

1 - Water Sales Revenue have been adjusted based on January 1 effective date.

2 - The annual budget for the low income program is equal to interest earnings and delinquency fees (i.e. non-rate revenues)

3 - Loans assumed to have 3.5% interest paid over 15 years

**Table 18: PHASE 2 - Water Utility Cash Flow**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Years 1 -5: Proposition 218				
	Budget 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24
<b>1 Assumptions:</b>					
2 Overall Revenue Adjustment	12.0%	12.0%	12.0%	12.0%	12.0%
3 Date Rate Increase Effective	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
5 Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%
6 Other Revenues Growth	3.0%	3.0%	3.0%	3.0%	3.0%
7 Growth - %	0.5%	0.5%	0.5%	0.5%	0.5%
<b>8 BEGINNING FUND BALANCE</b>	\$3,224,666	\$2,917,566	\$3,044,766	\$3,240,591	\$3,674,316
<b>9 Water Sales based on 12 months</b>	4,474,000	5,036,000	5,669,000	6,381,000	7,182,000
<b>10 REVENUES</b>					
11 Water Sales (1)	4,225,000	4,631,000	5,150,000	5,766,000	6,474,000
12 Interest Income	15,000	29,000	30,000	32,000	37,000
13 Delinquent Penalties	75,000	77,300	79,600	82,000	84,500
14 Meter & Fire Service	120,000	123,600	127,300	131,100	135,000
15 Water Installation Charges	50,000	51,500	53,000	54,600	56,200
16 Capital Facilities Charges	50,000	51,500	53,000	54,600	56,200
17 Backflow Prevention Fee	12,000	12,400	12,800	13,200	13,600
19 Total Revenues	4,547,000	4,976,300	5,505,700	6,133,500	6,856,500
<b>20 EXPENSES</b>					
<b>21 Operating &amp; Maintenance</b>					
22 Personnel Costs	1,640,200	1,706,000	1,774,000	1,845,000	1,919,000
23 O & M Expenses	767,200	790,000	814,000	838,000	863,000
24 Interest Expense (Internal Debt)	131,300	131,300	131,300	131,300	131,300
25 Cost Allocation	511,200	526,000	542,000	558,000	575,000
26 Utilities	170,000	175,000	180,000	185,000	191,000
27 Contractual Services	150,000	155,000	160,000	165,000	170,000
28 Internal Service Charges	274,800	283,000	291,000	300,000	309,000
30 Transfers	132,400	132,000	132,000	132,000	132,000
31 Low Income Program (2)	90,000	106,300	109,600	114,000	121,500
32 Subtotal O&M	3,867,100	4,004,600	4,133,900	4,268,300	4,411,800
<b>33 Capital Projects</b>					
<i>Capital Improvement Plan (CIP)</i>					
34 System Improvements	321,000	2,000,000	190,000	0	0
35 Miscellaneous & Equipment	812,300	330,000	1,870,000	325,000	10,740,200
36 Water Main Projects	2,853,700	1,254,000	595,000	585,500	520,000
37 Less Grant Funding (3)	0	0	0	0	(8,000,000)
38 Less New Debt Proceeds (4)	(3,000,000)	(3,000,000)	(2,000,000)	0	0
37 Subtotal Capital Projects	987,000	584,000	655,000	910,500	3,260,200
<b>38 Debt Service</b>					
39 New Debt (4)	0	260,500	520,975	520,975	521,000
40 Subtotal Debt Service	0	260,500	520,975	520,975	521,000
<b>41 Total Expenses</b>	4,854,100	4,849,100	5,309,875	5,699,775	8,193,000
<b>42 Net Revenues (Revs Less Exps)</b>	(307,100)	127,200	195,825	433,725	(1,336,500)
<b>43 ENDING FUND BALANCE</b>	2,917,566	3,044,766	3,240,591	3,674,316	2,337,816
<b>44 Fund Reserve Target</b>					
45 Operating Reserve Target (25% of O&M)	966,800	1,001,200	1,033,500	1,067,100	1,103,000
46 Capital Reserve Target (\$1M)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
47 Total Water Fund Reserves	1,966,800	2,001,200	2,033,500	2,067,100	2,103,000
48 Target Met	yes	yes	yes	yes	yes
49 Debt Service Coverage (1.25x)	-	3.73	2.63	3.58	4.69
50 Target Met	-	yes	yes	yes	yes

1 - Water Sales Revenue have been adjusted based on January 1 effective date.  
2 - The annual budget for the low income program is equal to interest earnings and delinquency fees (i.e. non-rate revenues).  
3 - Assumes New Reservoir will be 80% grant-funded and 20% cash-funded.  
4 - Loans assumed to have 3.5% interest paid over 15 years

## SECTION 4: WATER COST ALLOCATION

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The revenue requirements detailed in the previous section determine the amount of revenue to be recovered from water rates. The cost of service allocation determines how revenues will be recovered from customers based on how they use the water system. Proposition 218 requires that agencies providing “property-related services” (including water utility service) set rates and charges that are based on the cost of providing those services.

### 4.1 Methodology

The American Water Works Association (AWWA) recommends two primary methods to classify costs among various customers: (1) the base-extra capacity method in which costs are allocated to the different customer classes proportionate to their use of the water system; and (2) the commodity-demand method in which costs are proportionately allocated to each customer class based on their peak demand. Although the two methods vary in the way that costs are allocated, both result in rates designed to recover the reasonable cost of service during periods of both average and peak demands. The base-extra method was selected for this rate study to provide consistency with prior rate studies. Furthermore, the City focuses its water system cost allocation based on the relative impact of various customer classes.

In the base-extra method, costs are typically separated into four components: (a) base demand, (b) extra (peak) costs, (c) customer service, and (d) meters and services. The base and extra categories include most operations and maintenance costs related to supply, transmission, and distribution. Customer costs include the fixed costs associated with serving customers such as billing and answering customer inquiries. The meters and services category includes the cost of maintaining and replacing meters and a portion of the Water Fund’s overhead and administrative costs.

### 4.2 Cost Allocation Results

The FY2019/20 was selected as the test year for the water cost allocation because it reflects the most recent and up-to-date cost information. Moreover, beyond FY2019/20, the capital costs included in each option vary significantly which would lead to wide disparities between the two scenarios.

Table 19 provides the allocation of expense categories from Table 12 into the base-extra demand categories for Phase 1. Production and distribution costs were allocated to the base and extra categories because these expenses are directly associated with the delivery and use of water by customers. The sub-allocation between the base and extra categories was determined using the ratio of peak period use to average period use based on calendar year 2018 data. Utility billing was allocated to the customer service category. Meters and services costs are assumed to be about 15% of the Water Fund administration expense and a small portion of capital costs. The capital expense was allocated across the categories based on the five-year total of projects.

**Table 19: PHASE 1 - Water Cost Allocation  
City of San Fernando  
Water and Sewer Rate Study 2019**

Expenses	Budget 2019/20	Allocation Categories				Notes	Base	Extra	Cust. Serv.	Meters & Services
		Base	Extra	Cust. Serv.	Meters & Svcs					
Production	665,950	562,153	103,797	0	0	Avg/Max Day (1)	84%	16%	0%	0%
Distribution	118,500	100,030	18,470	0	0	Avg/Max Day (1)	84%	16%	0%	0%
Utility Billing	<u>264,439</u>	<u>0</u>	<u>0</u>	<u>264,439</u>	<u>0</u>		0%	0%	100%	0%
O&M Subtotal	1,048,889	662,184	122,266	264,439	0					
Administration	2,728,252	1,636,951	545,650	136,413	409,238		60%	20%	5%	15%
Capital (1)	<u>705,895</u>	<u>575,146</u>	<u>106,196</u>	<u>2,380</u>	<u>22,173</u>	5 yr composite	81%	15%	0.3%	3%
	3,434,148	2,212,098	651,846	138,793	431,411					
Total	4,483,036	2,874,281	774,113	403,232	431,411		64%	17%	9%	10%

1 - Based on the ratio of the peak bi-monthly period to the average bi-monthly period's water use

The costs allocated to the base and extra categories were further sub-allocated between fixed and variable cost categories. Contractual services associated with production was determined to be a fixed cost. Administration was allocated between variable and fixed based the composite operations and maintenance subtotal. Capital costs were determined to be 50% variable and 50% fixed. The City repairs and replaces infrastructure at the end of its useful life or when it becomes obsolete. Under such circumstances, the replacement would not be dependent on heavy use and could be considered a fixed cost. Alternately, the City must replace water system assets to a greater degree when facilities are used more heavily and when demand on the system is high. Thus, a portion of capital projects is dependent on the amount of water used and should be classified as a variable expense.

**Table 20: PHASE 1 - Allocation to Fixed and Variable Cost Categories**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Categories	Base			Extra		
	Total Cost	Fixed	Variable	Total Cost	Fixed	Variable
Production (1)	562,153	26%	74%	103,797	26%	74%
Distribution	100,030	0%	100%	18,470	0%	100%
Utility Billing	<u>0</u>	<u>NA</u>	<u>NA</u>	<u>0</u>	<u>NA</u>	<u>NA</u>
O&M Subtotal	662,184	147,948	514,236	122,266	27,317	94,949
Composite		22%	78%		22%	78%
Administration	1,636,951	22%	78%	545,650	22%	78%
Capital	<u>575,146</u>	<u>50%</u>	<u>50%</u>	<u>106,196</u>	<u>50%</u>	<u>50%</u>
	2,212,098	653,308	1,558,789	651,846	175,010	476,837
Total	2,874,281	801,256	2,073,025	774,113	202,327	571,786
Cost Allocation		28%	72%		26%	74%

1 - Contractual services allocated to fixed

The methodology and calculations provided above for Phase 1 were also applied for Phase 2, see Appendix A.

## SECTION 5: WATER RATE DESIGN

### 5.1 Billing Units

Customer growth and water use was projected over the next five years, see Table 21. The count of water meters is based on November and December 2018 data (the most up to date data available). Water use is based on 2018 calendar year data reduced by 2%. As rates increase, customers may respond by reducing their consumption. Customer billing units for FY2020/21 through FY2023/24 are increased annually by 0.5% reflecting modest growth.

**Table 21: Water Billing Unit Projection**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Meter Size	FY2020	FY2021	FY2022	FY2023	FY2024
5/8"	7	7	7	7	7
3/4"	4,122	4,143	4,163	4,184	4,205
1"	560	563	566	568	571
1-1/2"	169	170	171	172	172
2"	157	158	159	159	160
3"	16	16	16	16	16
4"	8	8	8	8	8
6"	1	1	1	1	1
<b>Total</b>	<b>5,040</b>	<b>5,065</b>	<b>5,091</b>	<b>5,116</b>	<b>5,142</b>
Water Use (HCF)	1,117,631	1,123,219	1,128,835	1,134,480	1,140,152

Table 22 provides the calculation of current meter equivalents. AWWA guidelines recommend using meter equivalents to assign demand-related costs to larger meter sizes. Demand costs are incurred by the City to maintain capacity in the system.



**Table 22: Meter Equivalents  
City of San Fernando  
Water and Sewer Rate Study 2019**

Meter Size	# of Meters	Meter Factor (1)	# of Meter Equivalents (2)
5/8" and 3/4"	4,129	1.00	4,129
1"	560	2.50	1,400
1-1/2"	169	5.00	845
2"	157	8.00	1,256
3"	16	16.00	256
4"	8	25.00	200
6"	<u>1</u>	50.00	<u>50</u>
Total	5,040		8,136

1 - American Water Works Association equivalent meter factor; meter factors used here are consistent with the City's prior rate study

2 - Meter ratio times number of meters

## 5.2 Unit Cost Calculation

Table 23 calculates the unit cost for the various water rates and charges for Phase 1. The unit cost calculations for Phase 2 is provided in Appendix A. The revenue requirement is taken as the FY2020 desired rate revenue adjusted to account for a January 1 implementation date. The percent allocations to the base, extra, customer service, and meters and services categories is taken from Table 19. The base and extra categories are further subdivided into fixed and variable categories based on the information in Table 20. Base and extra fixed costs and meter and services costs are divided amongst customer meter equivalents. Customer service costs are divided amongst the total number of accounts. The base and extra variable costs are divided by water use to calculate a volume rate. In total, about 59% of total costs are variable costs and 41% are fixed costs which is an adjustment to the Water Fund's current cost recovery of 63% through volume rates and 37% meter fees, see Table 6.

**Table 23: PHASE 1 - Water Unit Cost Calculation  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Base		Extra		Cust. Serv.	Meters & Services	Total
Cost Allocation	64%		17%		9%	10%	100%
FY2020 Rate	\$2,765,904		\$744,924		\$388,028	\$415,144	\$4,314,000
Revenue Requirement							
	Fixed	Variable	Fixed	Variable	Fixed	Fixed	
	28%	72%	26%	74%	100%	100%	
Cost	\$771,044	\$1,994,860	\$194,698	\$550,226	\$388,028	\$415,144	\$4,314,000
Billing Units	8,136	1,117,631	8,136	1,117,631	5,040	8,136	
	Meter Equiv.	HCF (1)	Meter Equiv.	HCF	# of Accounts	Meter Equiv.	
Rate	\$15.79	\$1.78	\$3.99	\$0.49	\$12.83	\$8.50	
	\$/bimo/equiv.	\$/HCF	\$/bimo/equiv.	\$/HCF	\$/bimo/account	\$/bimo/equiv.	

Total Volume Rate	\$2.27	\$2,545,086	59%
Total Meter Equiv. Rate	\$28.28	\$1,380,886	32%
Total Customer Serv. Rate	\$12.83	\$388,028	9%

1 - 98% of calendar year 2018 water use. As rates change, customers may respond by consuming less water.

### 5.3 Meter Fee Calculation

The proposed meter fees recover the City’s customer service, meter and services, and demand-related costs. The customer service rate calculated in Table 23 is collected as a \$/account fee for all customers. The base-extra fixed charges plus the meter and services fee is calculated as the \$/meter equivalent times the factor for each meter. The total fee calculation for each meter size is provided in Table 24 for Phase 1. The calculation for Phase 2 is provided in Appendix A.

**Table 24: PHASE 1 - FY2020 Water Fixed Charge Calculation  
City of San Fernando  
Water and Sewer Rate Study 2019**

Meter Size	Meter Ratio		Unit Cost		Meters & Services, Fixed			Total Fixed Charge
					Base-Extra		Cust. Serv.	
5/8" and 3/4"	1.00	X	\$28.28	=	\$28.28	+	\$12.83	\$41.11
1"	2.50	X	\$28.28	=	\$70.70	+	\$12.83	\$83.53
1-1/2"	5.00	X	\$28.28	=	\$141.40	+	\$12.83	\$154.23
2"	8.00	X	\$28.28	=	\$226.24	+	\$12.83	\$239.07
3"	16.00	X	\$28.28	=	\$452.48	+	\$12.83	\$465.31
4"	25.00	X	\$28.28	=	\$707.00	+	\$12.83	\$719.83
6"	50.00	X	\$28.28	=	\$1,414.00	+	\$12.83	\$1,426.83

### 5.4 Usage Rate

The City’s current residential rate structure includes volume rates across three tiers of consumption: Tier 1 is 0 to 18 HCF of use, Tier 2 is 19 to 36 HCF of use, and Tier 3 is use over 36 HCF bi-monthly. Since the City’s prior rate study, tiered water rates have come under increased scrutiny in California. The Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano court case made a landmark ruling regarding cost of service requirements applicable to tiered water rates. To comply with Proposition 218, each water rate tier breakpoint (i.e. the consumption used in each tier) and the price of each tier must be individually cost-justified. Higher use must be directly tied to specific costs such as imported water, higher electricity costs associated with peak pumping, increased maintenance, and/or conservation programs. Tiers can no longer be assigned to customers solely based on conservation objectives. For example, public agencies may not arbitrarily raise the price of higher use tiers in order to offer a discount to lower water users.

It is recommended that the City of San Fernando transition away from tiered residential rates to a uniform rate applied to all levels of use. The City’s prior rate study heavily emphasized conservation objectives. Tier 1 was set to encompass efficient, indoor water use, Tier 2 is double tier 1, and Tier 3 is excess use. It is unclear how these tiers relate to the City’s source of supply and which costs are assigned to Tier 3 vs. Tier 1, for example. The City’s current rate structure may be out of compliance with Proposition 218 cost of service requirements. Therefore, it is recommended that the City implement a uniform rate as calculated in Table 23.

### 5.5 Low Income Water Rate Assistance

In the past, the City provided a utility discount program for seniors which was phased-out. To comply with Proposition 218’s cost of service requirements, sewer rate revenues from one group of customers cannot be used to subsidize the rates of another group. Instead, the City could utilize non-rate revenues associated with interest earnings and delinquent penalties to fund a new program. In FY2019/20, these revenues are estimated at about \$90,000 for the Water Fund. It is recommended that the City provide assistance to low income residents who meet the criteria of other local assistance programs such as Southern California Edison’s CARE and FERA programs. This eliminates the administrative burden of the City developing its own low-income criteria. It is also recommended that rate discounts be applied to the meter fee portion of the bill rather than the usage portion of the bill to encourage conservation.

Moreover, the low income discount program should be reviewed annually by the City to determine whether the Water Fund has adequate non-rate revenues to fund the program.

### 5.6 Options Comparison

Table 25 provides a comparison of current rates to the FY2020 rates developed under the two options.

**Table 25: FY2020 Water Rate Comparison  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	Phase 1	Phase 2
<b>BI-MONTHLY FIXED CHARGES</b>			
<u>Meter Size</u>			
5/8" and 3/4"	\$37.37	\$41.11	\$42.95
1"	\$63.93	\$83.53	\$87.49
1-1/2"	\$108.20	\$154.23	\$161.71
2"	\$161.32	\$239.07	\$250.78
3"	\$302.99	\$465.31	\$488.30
4"	\$462.37	\$719.83	\$755.51
6"	\$905.07	\$1,426.83	\$1,497.76
<b>BI-MONTHLY COMMODITY CHARGES (rate per hcf)</b>			
<b>Single &amp; Multiple-Family Residential</b>			
Tier 1: 0 - 18 hcf	\$1.31		
Tier 2: 19 - 36 hcf	\$2.67		
Tier 3: Over 36 hcf	\$3.56		
		All customer classes	
<b>Non-Residential</b>	\$2.38	\$2.27	\$2.35

Table 26 and Table 27 compare the cost responsibility of each customer class under each rate option. Under the proposed rate options, the larger meters are assigned a greater portion of costs than under the current rates. This benefits the single family residential class which is overwhelmingly served by small meters. However, single family customers are assigned higher costs attributable to changes in the volume rate. Under the current rate structure, 60% of water use falls in Tier 1 (see Table 9), the lowest cost tier. Under the proposed rate options, Tier 1 is eliminated and all use is charged the uniform volume rate which is roughly equal to the current Tier 2 price. The multi-family customer class will pay a lower proportion of total system volume rate revenues because Tier 3 is eliminated. As shown in Table 9, more than half of multi-family use currently falls in Tier 3.

**Table 26: Class Comparison of Meter Fee and Water Usage Rate Revenue  
City of San Fernando  
Water and Sewer Rate Study 2019**

<b>METER FEES</b>	<b>Current</b>		<b>Phase 1</b>		<b>Phase 2</b>	
Single Family Residential	\$912,331	62.5%	\$1,029,037	58.2%	\$1,075,511	58.1%
Multi-Family Residential	\$161,824	11.1%	\$207,853	11.8%	\$217,645	11.8%
Church	\$26,233	1.8%	\$36,435	2.1%	\$38,190	2.1%
Commercial	\$189,779	13.0%	\$255,398	14.4%	\$267,593	14.5%
City	\$16,550	1.1%	\$24,648	1.4%	\$25,856	1.4%
Elementary School	\$16,514	1.1%	\$24,926	1.4%	\$26,152	1.4%
Higher Education	\$18,150	1.2%	\$27,648	1.6%	\$29,012	1.6%
Industrial	\$82,746	5.7%	\$113,653	6.4%	\$119,111	6.4%
<u>Irrigation</u>	<u>\$34,873</u>	<u>2.4%</u>	<u>\$48,897</u>	<u>2.8%</u>	<u>\$51,259</u>	<u>2.8%</u>
Total (1)	\$1,458,999	100%	\$1,768,496	100.0%	\$1,850,329	100.0%
Rate Design Target (1)			\$1,768,914		\$1,850,726	
<b>USAGE RATES (2)</b>	<b>Current</b>		<b>Phase 1</b>		<b>Phase 2</b>	
Single Family Residential	\$1,187,564	46.6%	\$1,342,339	52.9%	\$1,389,646	52.9%
Multi-Family Residential	\$520,080	20.4%	\$408,081	16.1%	\$422,462	16.1%
Church	\$42,488	1.7%	\$39,714	1.6%	\$41,113	1.6%
Commercial	\$361,793	14.2%	\$338,170	13.3%	\$350,088	13.3%
City	\$31,990	1.3%	\$29,901	1.2%	\$30,955	1.2%
Elementary School	\$24,933	1.0%	\$23,305	0.9%	\$24,126	0.9%
Higher Education	\$39,518	1.6%	\$36,937	1.5%	\$38,239	1.5%
Industrial	\$241,784	9.5%	\$225,997	8.9%	\$233,962	8.9%
<u>Irrigation</u>	<u>\$99,046</u>	<u>3.9%</u>	<u>\$92,579</u>	<u>3.6%</u>	<u>\$95,842</u>	<u>3.6%</u>
Total (1)	\$2,549,196	100%	\$2,537,023	100.0%	\$2,626,433	100.0%
Rate Design Target (1)			\$2,545,086		\$2,623,274	

1 - Slight difference due to rounding the rates to the nearest \$0.01

2 - To be conservative, both options assume all customers will use 2% less water in response to the rate change. Thus, although the volume rate increased, a portion of the revenue increase is offset by a reduction in consumption.

**Table 27: Total Water Rate Revenue Class Comparison  
City of San Fernando  
Water and Sewer Rate Study 2019**

Customer Class	Current		Phase 1		Phase 2	
Single Family Residential	\$2,099,895	52.4%	\$2,371,376	55.1%	\$2,465,157	55.1%
Multi Family Residential	\$681,904	17.0%	\$615,933	14.3%	\$640,107	14.3%
Church	\$68,720	1.7%	\$76,149	1.8%	\$79,304	1.8%
Commercial	\$551,573	13.8%	\$593,568	13.8%	\$617,681	13.8%
City	\$48,539	1.2%	\$54,548	1.3%	\$56,811	1.3%
Elementary School	\$41,447	1.0%	\$48,231	1.1%	\$50,278	1.1%
Higher Education	\$57,667	1.4%	\$64,586	1.5%	\$67,251	1.5%
Industrial	\$324,530	8.1%	\$339,651	7.9%	\$353,073	7.9%
<u>Irrigation</u>	<u>\$133,919</u>	<u>3.3%</u>	<u>\$141,476</u>	<u>3.3%</u>	<u>\$147,100</u>	<u>3.3%</u>
Total (1), (2)	\$4,008,194	100.0%	\$4,305,519	100.0%	\$4,476,763	100.0%
Rate Design Target (1)			\$4,314,000		\$4,474,000	

1 - Slight difference due to rounding the rates to the nearest \$0.01

2 - Revenue targets are based on calendar year data.

### 5.7 Proposed Water Rates

The five-year rate plan for both options is provided below. As described, the FY2019/20 rates are calculated based on a detailed cost allocation process. The rates for the subsequent years are calculated as the rate revenue requirements shown in the cash flow projections.

**Table 28: PHASE 1 Five Year Water Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<b>Meter Size</b>						
5/8" and 3/4"	\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94
1"	\$63.93	\$83.53	\$90.24	\$97.45	\$105.25	\$113.66
1-1/2"	\$108.20	\$154.23	\$166.61	\$179.92	\$194.32	\$209.86
2"	\$161.32	\$239.07	\$258.26	\$278.89	\$301.21	\$325.30
3"	\$302.99	\$465.31	\$502.66	\$542.81	\$586.25	\$633.14
4"	\$462.37	\$719.83	\$777.61	\$839.72	\$906.92	\$979.46
6"	\$905.07	\$1,426.83	\$1,541.36	\$1,664.47	\$1,797.67	\$1,941.46
<b>BI-MONTHLY COMMODITY CHARGES (rate per hcf)</b>						
<b>Single &amp; Multi-Family Residential</b>						
Tier 1: 0 - 18 hcf	\$1.31					
Tier 2: 19 - 36 hcf	\$2.67					
Tier 3: Over 36 hcf	\$3.56					
<b>All customer classes</b>						
<b>Non-Residential</b>	\$2.38	\$2.27	\$2.46	\$2.66	\$2.87	\$3.10

**Table 29: PHASE 2 Five Year Water Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<u>Meter Size</u>						
5/8" and 3/4"	\$37.37	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
1"	\$63.93	\$87.49	\$98.08	\$109.87	\$123.05	\$137.80
1-1/2"	\$108.20	\$161.71	\$181.23	\$203.02	\$227.37	\$254.62
2"	\$161.32	\$250.78	\$281.01	\$314.80	\$352.56	\$394.81
3"	\$302.99	\$488.30	\$547.09	\$612.88	\$686.40	\$768.65
4"	\$462.37	\$755.51	\$846.43	\$948.22	\$1,061.97	\$1,189.22
6"	\$905.07	\$1,497.76	\$1,677.93	\$1,879.72	\$2,105.22	\$2,357.47
<b>BI-MONTHLY COMMODITY CHARGES (rate per hcf)</b>						
<b>Single &amp; Multi-Family Residential</b>						
Tier 1: 0 - 18 hcf	\$1.31					
Tier 2: 19 - 36 hcf	\$2.67					
Tier 3: Over 36 hcf	\$3.56					
		<b>All customer classes</b>				
<b>Non-Residential</b>	\$2.38	\$2.35	\$2.63	\$2.94	\$3.30	\$3.69

HCF - hundred cubic feet; one HCF = 748 gallons

### 5.8 Bill Impacts

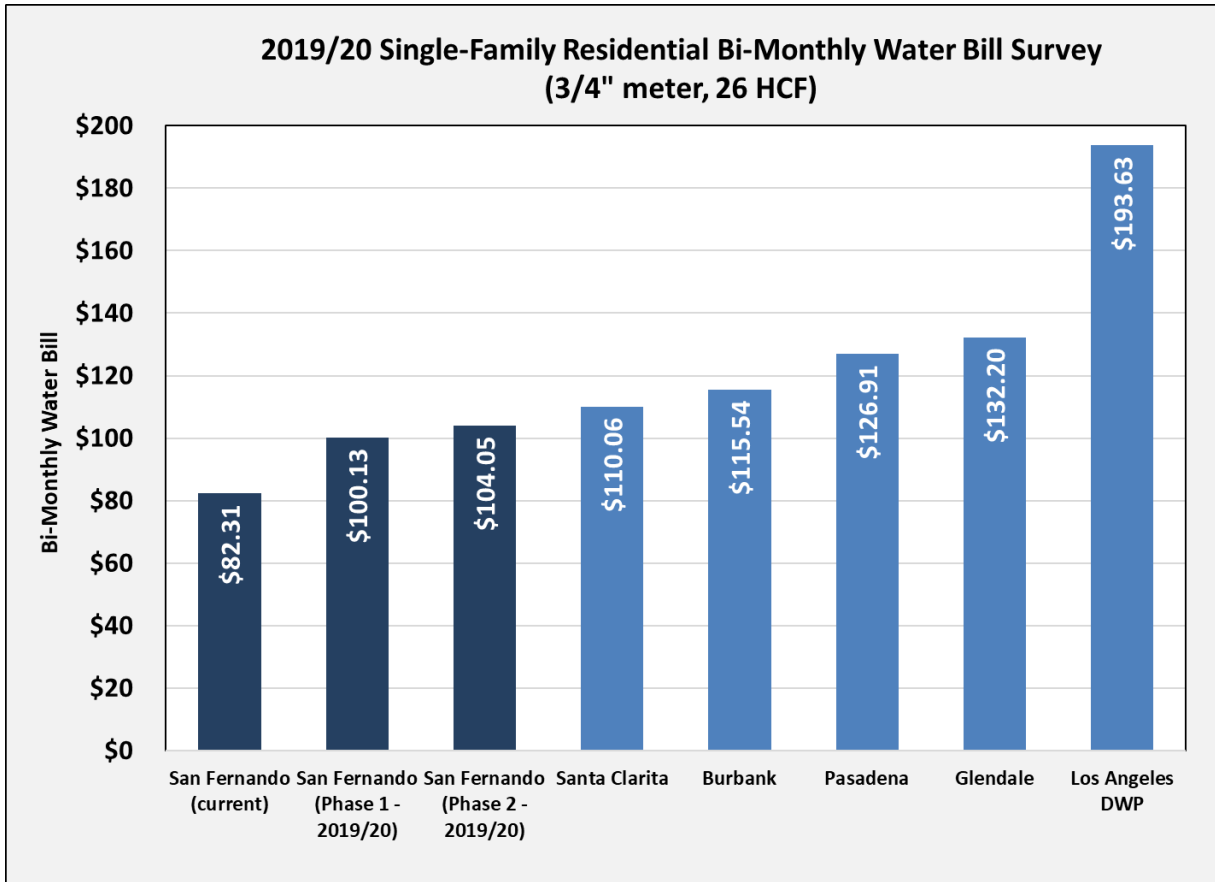
Table 30 provides a bill impact analysis for different levels of residential water use. Due to the increase in the meter charge and the elimination of the lower-priced tier 1, lower water users will have a higher percent increase to their bills than higher water users.



**Table 30: Single Family Residential Water Bill Impacts  
City of San Fernando  
Water and Sewer Rate Study 2019**

Example Customer	Bi-Monthly Water Use (hcf)	Current	PHASE 1					PHASE 2				
			2019/20	2020/21	2021/22	2022/23	2023/24	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Low Water Use</b>												
Meter Fee (3/4")		\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
Water Usage Charge	9	<u>\$11.79</u>	<u>\$20.43</u>	<u>\$22.14</u>	<u>\$23.94</u>	<u>\$25.83</u>	<u>\$27.90</u>	<u>\$21.15</u>	<u>\$23.67</u>	<u>\$26.46</u>	<u>\$29.70</u>	<u>\$33.21</u>
Total Bill		\$49.16	\$61.54	\$66.55	\$71.90	\$77.63	\$83.84	\$64.10	\$71.86	\$80.44	\$90.15	\$100.91
\$ Change			\$12.38	\$5.01	\$5.35	\$5.73	\$6.21	\$14.94	\$7.76	\$8.58	\$9.71	\$10.76
% Change			25%	8%	8%	8%	8%	30%	12%	12%	12%	12%
<b>Average Winter Bill</b>												
Meter Fee (3/4")		\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
Water Usage Charge	20	<u>\$28.92</u>	<u>\$45.40</u>	<u>\$49.20</u>	<u>\$53.20</u>	<u>\$57.40</u>	<u>\$62.00</u>	<u>\$47.00</u>	<u>\$52.60</u>	<u>\$58.80</u>	<u>\$66.00</u>	<u>\$73.80</u>
Total Bill		\$66.29	\$86.51	\$93.61	\$101.16	\$109.20	\$117.94	\$89.95	\$100.79	\$112.78	\$126.45	\$141.50
\$ Change			\$20.22	\$7.10	\$7.55	\$8.04	\$8.74	\$23.66	\$10.84	\$11.99	\$13.67	\$15.05
% Change			31%	8%	8%	8%	8%	36%	12%	12%	12%	12%
<b>Median Water Bill</b>												
Meter Fee (3/4")		\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
Water Usage Charge	22	<u>\$34.26</u>	<u>\$49.94</u>	<u>\$54.12</u>	<u>\$58.52</u>	<u>\$63.14</u>	<u>\$68.20</u>	<u>\$51.70</u>	<u>\$57.86</u>	<u>\$64.68</u>	<u>\$72.60</u>	<u>\$81.18</u>
Total Bill		\$71.63	\$91.05	\$98.53	\$106.48	\$114.94	\$124.14	\$94.65	\$106.05	\$118.66	\$133.05	\$148.88
\$ Change			\$19.42	\$7.48	\$7.95	\$8.46	\$9.20	\$23.02	\$11.40	\$12.61	\$14.39	\$15.83
% Change			27%	8%	8%	8%	8%	32%	12%	12%	12%	12%
<b>Average Water Bill</b>												
Meter Fee (3/4")		\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
Water Usage Charge	26	<u>\$44.94</u>	<u>\$59.02</u>	<u>\$63.96</u>	<u>\$69.16</u>	<u>\$74.62</u>	<u>\$80.60</u>	<u>\$61.10</u>	<u>\$68.38</u>	<u>\$76.44</u>	<u>\$85.80</u>	<u>\$95.94</u>
Total Bill		\$82.31	\$100.13	\$108.37	\$117.12	\$126.42	\$136.54	\$104.05	\$116.57	\$130.42	\$146.25	\$163.64
\$ Change			\$17.82	\$8.24	\$8.75	\$9.30	\$10.12	\$21.74	\$12.52	\$13.85	\$15.83	\$17.39
% Change			22%	8%	8%	8%	8%	26%	12%	12%	12%	12%
<b>Average Summer Bill</b>												
Meter Fee (3/4")		\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
Water Usage Charge	35	<u>\$68.97</u>	<u>\$79.45</u>	<u>\$86.10</u>	<u>\$93.10</u>	<u>\$100.45</u>	<u>\$108.50</u>	<u>\$82.25</u>	<u>\$92.05</u>	<u>\$102.90</u>	<u>\$115.50</u>	<u>\$129.15</u>
Total Bill		\$106.34	\$120.56	\$130.51	\$141.06	\$152.25	\$164.44	\$125.20	\$140.24	\$156.88	\$175.95	\$196.85
\$ Change			\$14.22	\$9.95	\$10.55	\$11.19	\$12.19	\$18.86	\$15.04	\$16.64	\$19.07	\$20.90
% Change			13%	8%	8%	8%	8%	18%	12%	12%	12%	12%
<b>Top 10% Bill</b>												
Meter Fee (3/4")		\$37.37	\$41.11	\$44.41	\$47.96	\$51.80	\$55.94	\$42.95	\$48.19	\$53.98	\$60.45	\$67.70
Water Usage Charge	46	<u>\$107.24</u>	<u>\$104.42</u>	<u>\$113.16</u>	<u>\$122.36</u>	<u>\$132.02</u>	<u>\$142.60</u>	<u>\$108.10</u>	<u>\$120.98</u>	<u>\$135.24</u>	<u>\$151.80</u>	<u>\$169.74</u>
Total Bill		\$144.61	\$145.53	\$157.57	\$170.32	\$183.82	\$198.54	\$151.05	\$169.17	\$189.22	\$212.25	\$237.44
\$ Change			\$0.92	\$12.04	\$12.75	\$13.50	\$14.72	\$6.44	\$18.12	\$20.05	\$23.03	\$25.19
% Change			1%	8%	8%	8%	8%	4%	12%	12%	12%	12%

The figure below compares the City’s current and proposed typical water bill with the bills of other local agencies. Even with the proposed FY2019 rate increase, the City’s bill will remain comparable with neighboring cities.



## SECTION 6: SEWER REVENUE REQUIREMENT

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Proposition 218 requires that utility rates be based on the reasonable cost of providing service to customers. The cost of service includes annual operating expenses, debt service payments, capital projects, and the accumulation of appropriate reserves. The sewer utility cost of service was developed based on the FY2019/20 adopted budget, capital project list developed by staff, and reserve recommendations based on City policies. Sewer rates have not been increased since FY2014/15 as shown on Table 10.

### 6.1 Revenues

For FY2019/20, the City budgeted approximately \$3.4 million in total Sewer Fund Revenues. Sewer service charges are projected at nearly \$3.3 million, representing the majority of all sewer revenues. Other revenue categories include capital facilities fees, industrial waste permits, interest income, and delinquent penalties which are expected to generate non-rate revenues totaling \$127,500.

### 6.2 Operations

In FY2019/20, the sewer operating budget is approximately \$3.0 million. Major line-items include administration, salaries and benefits, contractual services, maintenance, and supplies. Table 31 provides a detailed historical summary of the Sewer Fund's expenses. Table 32 includes a five-year projection through FY2023/24. Beginning in FY2020/21, personnel costs are escalated by 4.0% per year while all other operating expenses are escalated by 3.0% annually. Although the City has not implemented a sewer rate increase for the past 4 years, expenses continue to increase.

**Table 31: History of Sewer Expenses  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Actual			Budget		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>OPERATING EXPENSES</b>						
Personnel Costs	\$433,500	\$802,465	\$852,616	\$861,077	\$880,580	\$685,796
Operating & Maintenance Expenses						
Contractual Services	855,975	1,456,205	1,129,016	159,530	194,500	194,500
Contractual Services - LA Treatment	0	0	0	1,504,000	1,466,629	1,409,200
Cost Allocation	286,742	286,742	282,346	330,030	330,030	360,538
Other O&M Expenses	159,274	133,526	133,190	206,055	173,355	159,855
Subtotal O&M Expenses	1,301,991	1,876,474	1,544,552	2,199,615	2,164,514	2,124,093
Internal Service Charges	0	116,503	134,230	183,764	181,092	140,634
Transfers						
Transfer to General Fund	60,000	60,000	60,000	60,000	60,000	60,000
Transfer to Retirement Fund	0	0	0	12,434	12,434	12,434
Subtotal Transfers	60,000	60,000	60,000	72,434	72,434	72,434
<b>TOTAL OPERATING EXPENSES</b>	<b>1,795,490</b>	<b>2,855,441</b>	<b>2,591,398</b>	<b>3,316,890</b>	<b>3,298,620</b>	<b>3,022,957</b>
<i>Percent Change</i>		59%	-9%	28%	-1%	-8%
<b>CAPITAL EXPENSES</b>						
Operating & Maintenance Expenses	0	0	0	60,000	0	250,000
Capital Costs	1,036	0	0	0	0	409,000
Capital Projects	626,959	1,634,765	950,042	3,255,000	912,429	1,413,960
<b>TOTAL SEWER CAPITAL</b>	<b>627,995</b>	<b>1,634,765</b>	<b>950,042</b>	<b>3,315,000</b>	<b>912,429</b>	<b>2,072,960</b>
<i>Percent Change</i>		160%	-42%	249%	-72%	127%
<b>TOTAL SEWER EXPENSES</b>	<b>2,423,485</b>	<b>4,490,206</b>	<b>3,541,440</b>	<b>6,631,890</b>	<b>4,211,049</b>	<b>5,095,917</b>
<i>Percent Change</i>		85%	-21%	87%	-37%	21%

**Table 32: Sewer Operating Expense Projection  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Budget 2019/20	Escalation Factor	Rate Study			
			2020/21	2021/22	2022/23	2023/24
Personnel Costs	\$685,796	4%	\$713,000	\$742,000	\$772,000	\$803,000
O & M Expenses	159,855	3%	\$165,000	170,000	175,000	180,000
Contractual Services	194,500	3%	\$200,000	206,000	212,000	218,000
Contractual Services - LA Treatment	1,409,200	3%	\$1,451,000	1,495,000	1,540,000	1,586,000
Cost Allocation	360,538	3%	\$371,000	382,000	393,000	405,000
Internal Service Charges	140,634	3%	\$145,000	149,000	153,000	158,000
Transfers	72,434	0%	\$72,000	72,000	72,000	72,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,022,957</b>		<b>\$3,117,000</b>	<b>\$3,216,000</b>	<b>\$3,317,000</b>	<b>\$3,422,000</b>

### 6.3 Sewer Capital Improvement Plan

The City has identified approximately \$5.28 million in sewer improvements through FY2023/24 as shown on Table 33. These projects include sewer main hydraulically deficient projects and replacing sewer mains.

Two sewer capital improvement plan options were developed based on input from the City. Phase 1 consists of a fully funded plan in which all projects are funded on a cash basis, totaling \$5.28 million. Phase 2 only includes the “Sewer Main Hydraulically Deficient Projects,” totaling \$3.27 million.

**Table 33: Sewer Capital Improvement Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Rate Study					5-Year Total
	2019/20	2020/21	2021/22	2022/23	2023/24	
<b>SEWER EQUIPMENT</b>						
Ford LNT-8000-Guzzler - Vehicle # 1258	\$0	\$0	\$0	\$0	\$0	\$0
Ford F-150 - Vehicle # 0597	60,000	0	0	0	0	60,000
<i>Subtotal</i>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
<b>SEWER MAIN HYDRAULICALLY DEFICIENT PROJECTS</b>						
Harding Ave - Seventh Street to Fifth Street	0	0	0	0	0	0
Easement s/o Warren - WCL to Meyer	60,973	0	0	0	0	60,973
Glenoaks Blvd - Orange Grove Ave to Harding Ave	0	0	0	0	0	0
Harding Ave - Phillippi St to Seventh St	156,690	0	0	0	0	156,690
Seventh St - Fermorre St to N Workman St	60,987	0	0	0	0	60,987
Eighth Street - Lazard St to Orange Grove Ave		0	55,776			55,776
Orange Grove Ave - Glenoaks Blvd to Warren St	209,652	0	0	0	0	209,652
Alloy w/o N Maclay - Eighth St to Knox St	62,436	0	0	0	0	62,436
Brand Blvd - Fourth St to Third St	71,504	0	0	0	0	71,504
N Maclay Ave - Mountain View to Seventh St	76,124	0	0	0	0	76,124
N Maclay Ave - Glenoaks Blvd	4,950	0	0	0	0	4,950
Griswold Ave - De Garmo St to Fifth St	0	71,279	0	0	0	71,279
N Brand Blvd - Morningside Ct to Library St	0	46,374	0	0	0	46,374
Library St - N Brand Blvd to Newton St	0	68,853	0	0	0	68,853
Coronel St - N Maclay to Carlisle	0	77,449	0	0	0	77,449
Carlisle St - Hollister St to O'Melveny	0	343,091	0	0	0	343,091
O'Melveny St - San Fernando Mission Blvd to Fox St	0	0	433,977	0	0	433,977
Newton St - Library St to Fourth St	0	0	69,339	0	0	69,339
N Huntington St - Glenoaks Blvd to Fermore St	0	0	72,817	0	0	72,817
Fifth St - Fermore to N Workman St	0	0	71,195	0	0	71,195
First St - Harding Ave to Alexander St	0	0	0	212,961	0	212,961
Alexander St - First St to Alley n/o First St	0	0	0	43,079	0	43,079
Alley n/o First St - Alexander St to N Brand Blvd	0	0	0	345,468	0	345,468
N Brand Blvd - n/o First St to Easement s/o Truman St	0	0	0	176,350	0	176,350
Easement s/o Truman St - N Brand Blvd to Wolfskill St	0	0	0	0	240,530	240,530
Wolfskill St - Easement s/o Truman St to Celis St	0	0	0	0	111,715	111,715
Eighth St - Aviation Pl to Arroyo Ave	0	0	0	0	55,177	55,177
First St - Park Ave to Fox St	0	0	0	0	62,698	62,698
San Fernando Rd - Hubbard Ave	0	0	0	0	10,204	10,204
<i>Subtotal</i>	<u>703,316</u>	<u>607,046</u>	<u>703,104</u>	<u>777,858</u>	<u>480,324</u>	<u>3,271,648</u>
<b>SEWER MAIN REPLACEMENT PROJECTS</b>						
Newton - Seventh to Eighth	162,000	0	0	0	0	162,000
Seventh - N. Brand Blvd to 300 ft. west	54,000	0	0	0	0	54,000
DeFoe - N. Brand Blvd to 300 ft. west	54,000	0	0	0	0	54,000
Harding - Eighth to Phillippi	116,100	0	0	0	0	116,100
Fourth - Newton to Griswold	0	61,200	0	0	0	61,200
Seventh - 4 segments between Maclay and Harding (2 at 385 ft., 2 at 365 ft.)	0	270,000	0	0	0	270,000
N. Huntington - Glenoaks to 300 ft. south	0	0	54,000	0	0	54,000
N. Huntington - Fifth to 600 ft. south	0	0	108,000	0	0	108,000
Fourth - Macneil 165 ft. east to alley	0	0	0	29,700	0	29,700
Alley #29 - Second towards First, b/w Hagar & Maclay	0	0	0	67,500	0	67,500
Meyer - 280 ft. north from Second St.	0	0	0	0	50,400	50,400
Lazard - 240 ft. north from Second St.	0	0	0	0	43,200	43,200
Pico - San Fernando Mission Blvd to 350 ft. east	63,000	0	0	0	0	63,000
Pico - Kalisher to 350 ft. east	63,000	0	0	0	0	63,000
<i>Subtotal</i>	<u>512,100</u>	<u>331,200</u>	<u>162,000</u>	<u>97,200</u>	<u>93,600</u>	<u>1,196,100</u>
<b>SEWER MAIN MISCELLANEOUS</b>						
Citywide CCTV of Sewer System	150,000	150,000	150,000	150,000	150,000	750,000
<i>Subtotal</i>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>750,000</u>
<b>TOTAL SEWER CIP</b>	<b>\$1,425,416</b>	<b>\$1,088,246</b>	<b>\$1,015,104</b>	<b>\$1,025,058</b>	<b>\$723,924</b>	<b>\$5,277,748</b>

## 6.4 Sewer Reserves

The City's *Contingency and Stabilization Reserve Fund* stipulates a target of 25 percent of annual operating expenses. The City's *Infrastructure Replacement Reserve Fund* does not require a specific target. The policy states that "contribution rate is intended to level-amortize the cost of infrastructure replacement projects over a long period of time." The City's *2011 Tiered Water Rate Study* recommended a Capital Repair and Replacement reserve to be "funded with the annual amount of depreciation, plus any excess funds from the operating reserve." Adequate fund reserves protect the City when faced with unforeseen financial challenges such as emergency expenses and revenue deficits. Furthermore, the Sewer Fund may be required to maintain certain levels of reserves if the City were to obtain debt financing.

For this rate study, the Operating Reserve target is 25 percent of annual operating expenses. A Capital Reserve target of \$1 million is also included in the cash flow analysis. This target is a placeholder and can be modified based on input from the City. The fund reserve target will escalate as the Sewer Fund's expenses increase over time. It is acceptable if reserves dip below the target on a temporary basis, provided the City takes action to attain the target over the longer run.

## 6.5 Sewer Fund Cash Flow

### 6.5.1 Cash Flow Objectives

Based on the FY2019/20 adopted budget, the Sewer Fund is projected to begin FY2019/20 with a fund balance of \$1.74 million. Over the five-year rate study period, rate increases are proposed such that the following objectives are met, in order of importance:

- 1) Fund operating costs
- 2) Fund capital costs
- 3) The fund balance at the end of each year should meet or exceed the operating reserve fund target of 25 percent of annual operating expenses.
- 4) The fund balance at the end of the 5-year rate plan should meet or exceed the operating fund target of 25 percent of annual operating expenses and the \$1 million capital fund target.

The objectives listed above are intended to eliminate operating deficits in which the City under-charges the cost of service by funding deficit spending from reserves.

### 6.5.2 Summary of Options

A summary of the three sewer fund CIP options and revenue adjustments is provided in Table 34. It is assumed that all sewer CIP projects will be funded with cash (i.e. no new debt).

**Table 34: Sewer Option Comparison**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Revenue Adjustment Comparison						
Phase	Description	2019/20	2020/21	2021/22	2022/23	2023/24
<b>#1</b>	<b><u>MAIN REPLACEMENT PROJECTS ONLY</u></b>  - Only includes Main Replacements for FY2019/20 - FY2023/24 totaling \$1.2 million  - Projects are funded with cash; No debt.	2.0%	2.0%	2.0%	2.0%	2.0%
<b>#2</b>	<b><u>HYDRAULICALLY DEFICIENT PROJECTS ONLY</u></b>  - Only includes Hydraulically Deficient projects for FY2019/20 - FY2023/24 totaling \$3.3 million  - Projects are funded with cash; No debt.	6.0%	6.0%	6.0%	6.0%	6.0%

**6.5.3 Revenues**

The cash flows for both options are presented in Table 35 and Table 36. The first rate increase will go into effect on January 1, 2020 when water consumption is generally lower, and therefore, minimizing the impact to ratepayers. Subsequent rate increases are assumed to go into effect January 1 of each year through January 1, 2024. The rate revenue projection includes customer growth of 0.5% annually. Non-rate revenues associated with interest income and delinquent charges can be pledged toward a new low income rate payer assistance program.

**6.5.4 Expenses**

Operating expenses shown in the cash flows are based on Table 32. Capital project costs are from Table 33. Beginning in 2019/20, personnel costs are escalated by 4.0% per year while all other operating expenses are escalated by 3.0% each year.



**Table 35: PHASE 1 - Sewer Utility Cash Flow**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Years 1 -5: Proposition 218				
	Budget 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24
<b>1 Assumptions:</b>					
2 Overall Revenue Adjustment	2.0%	2.0%	2.0%	2.0%	2.0%
3 Rate Increase Effective	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
4 Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%
5 Other Revenues	3.0%	3.0%	3.0%	3.0%	3.0%
6 Growth - %	0.5%	0.5%	0.5%	0.5%	0.5%
<b>7 BEGINNING FUND BALANCE</b>	\$1,740,753	\$1,693,696	\$1,800,496	\$2,057,496	\$2,367,296
8 Water Sales based on 12 months	3,383,000	3,468,000	3,555,000	3,644,000	3,735,000
<b>9 REVENUES</b>					
10 Sewer Service Charges (1)	3,342,000	3,405,000	3,480,000	3,562,000	3,649,000
11 Interest Income	17,000	17,000	18,000	21,000	24,000
12 Delinquent Penalties	41,000	42,000	43,000	44,000	45,000
13 Industrial Waste Permits	31,000	32,000	33,000	34,000	35,000
14 Capital Facility Charges	31,000	32,000	33,000	34,000	35,000
15 Transfer from General Fund	26,000	27,000	28,000	29,000	30,000
16 Total Revenues	3,488,000	3,555,000	3,635,000	3,724,000	3,818,000
<b>17 EXPENSES</b>					
<b>18 Operating &amp; Maintenance</b>					
19 Personnel Costs	685,796	713,000	742,000	772,000	803,000
20 O & M Expenses	159,855	165,000	170,000	175,000	180,000
21 Contractual Services	194,500	200,000	206,000	212,000	218,000
22 Contractual Services - LA Treatment	1,409,200	1,451,000	1,495,000	1,540,000	1,586,000
23 Cost Allocation	360,538	371,000	382,000	393,000	405,000
24 Internal Service Charges	140,634	145,000	149,000	153,000	158,000
25 Transfers	72,434	72,000	72,000	72,000	72,000
26 Subtotal O&M	3,022,957	3,117,000	3,216,000	3,317,000	3,422,000
<b>27 Capital Projects</b>					
28 <i>Capital Improvement Plan (CIP)</i>					
29 Sewer Equipment	0	0	0	0	0
30 Sewer Main Hydraulically Deficient Projects	0	0	0	0	0
31 Sewer Main Replacement Projects	512,100	331,200	162,000	97,200	93,600
32 Sewer Main Miscellaneous	0	0	0	0	0
33 Subtotal Capital Projects	512,100	331,200	162,000	97,200	93,600
34 Total Expenses	3,535,057	3,448,200	3,378,000	3,414,200	3,515,600
35 Net Revenues (Revs Less Exps)	(47,057)	106,800	257,000	309,800	302,400
36 ENDING FUND BALANCE	1,693,696	1,800,496	2,057,496	2,367,296	2,669,696
37 <i>Fund Reserve Target</i>					
38 Operating Reserve Target (25% of O&M)	755,739	779,250	804,000	829,250	855,500
39 Capital Reserve Target (\$1M)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
40 Total Sewer Fund Reserves	1,755,739	1,779,250	1,804,000	1,829,250	1,855,500
41 Target Met	no	yes	yes	yes	yes

1 - Sewer Sales Revenue have been adjusted based on January 1 effective date.

**Table 36: PHASE 2 - Sewer Utility Cash Flow**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Years 1 -5: Proposition 218				
	Budget 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24
<b>1 Assumptions:</b>					
2 Overall Revenue Adjustment	6.0%	6.0%	6.0%	6.0%	6.0%
3 Rate Increase Effective	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
4 Interest Earnings Rate	1.0%	1.0%	1.0%	1.0%	1.0%
5 Other Revenues	3.0%	3.0%	3.0%	3.0%	3.0%
6 Growth - %	0.5%	0.5%	0.5%	0.5%	0.5%
<b>7 BEGINNING FUND BALANCE</b>	\$1,740,753	\$1,568,480	\$1,570,434	\$1,588,330	\$1,668,472
<b>8 Water Sales based on 12 months</b>	3,515,000	3,745,000	3,990,000	4,251,000	4,529,000
<b>9 REVENUES</b>					
10 Sewer Service Charges (1)	3,408,000	3,577,000	3,784,000	4,018,000	4,274,000
11 Interest Income	17,000	16,000	16,000	16,000	17,000
12 Delinquent Penalties	41,000	42,000	43,000	44,000	45,000
13 Industrial Waste Permits	31,000	32,000	33,000	34,000	35,000
14 Capital Facility Charges	31,000	32,000	33,000	34,000	35,000
15 Transfer from General Fund	26,000	27,000	28,000	29,000	30,000
16 <b>Total Revenues</b>	<u>3,554,000</u>	<u>3,726,000</u>	<u>3,937,000</u>	<u>4,175,000</u>	<u>4,436,000</u>
<b>17 EXPENSES</b>					
<b>18 Operating &amp; Maintenance</b>					
19 Personnel Costs	685,796	713,000	742,000	772,000	803,000
20 O & M Expenses	159,855	165,000	170,000	175,000	180,000
21 Contractual Services	194,500	200,000	206,000	212,000	218,000
22 Contractual Services - LA Treatment	1,409,200	1,451,000	1,495,000	1,540,000	1,586,000
23 Cost Allocation	360,538	371,000	382,000	393,000	405,000
24 Internal Service Charges	140,634	145,000	149,000	153,000	158,000
25 Transfers	72,434	72,000	72,000	72,000	72,000
26 <b>Subtotal O&amp;M</b>	<u>3,022,957</u>	<u>3,117,000</u>	<u>3,216,000</u>	<u>3,317,000</u>	<u>3,422,000</u>
<b>27 Capital Projects</b>					
28 <i>Capital Improvement Plan (CIP)</i>					
29 Sewer Equipment	0	0	0	0	0
30 Sewer Main Hydraulically Deficient Projects	703,316	607,046	703,104	777,858	480,324
31 Sewer Main Replacement Projects	0	0	0	0	0
32 Sewer Main Miscellaneous	0	0	0	0	0
33 <b>Subtotal Capital Projects</b>	<u>703,316</u>	<u>607,046</u>	<u>703,104</u>	<u>777,858</u>	<u>480,324</u>
34 <b>Total Expenses</b>	<u>3,726,273</u>	<u>3,724,046</u>	<u>3,919,104</u>	<u>4,094,858</u>	<u>3,902,324</u>
35 <b>Net Revenues (Revs Less Exps)</b>	(172,273)	1,954	17,896	80,142	533,676
36 <b>ENDING FUND BALANCE</b>	1,568,480	1,570,434	1,588,330	1,668,472	2,202,148
<b>37 Fund Reserve Target</b>					
38 Operating Reserve Target (25% of O&M)	755,739	779,250	804,000	829,250	855,500
39 Capital Reserve Target (\$1M)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
40 <b>Total Sewer Fund Reserves</b>	<u>1,755,739</u>	<u>1,779,250</u>	<u>1,804,000</u>	<u>1,829,250</u>	<u>1,855,500</u>
41 <b>Target Met</b>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>yes</i>

1 - Sewer Sales Revenue have been adjusted based on January 1 effective date.

## SECTION 7: SEWER COST ALLOCATION

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The revenue requirements detailed in the previous section determine the amount of revenue to be recovered from sewer rates. The cost of service allocation determines how revenues will be recovered from customers based on their estimated impact on the sewer system. Proposition 218 requires that agencies providing “property-related services” (including sewer service) set rates and charges that are based on the cost of providing those services.

### 7.1 Methodology

A revenue requirement analysis determines the utility’s overall financial needs, while the cost of service analysis determines the fair and equitable manner to collect that revenue requirement. The first step is classification where the functionalized costs are classified into specific cost components. The following cost classifiers were used to develop the cost of service analysis:

- *Base Costs:* Base costs represent the fixed expenditures of the sewer utility, including personnel costs and overhead expenses.
- *Flow Costs:* Volume or flow related costs that vary with the total quantity of wastewater collected and treated.
- *Strength Costs:* Strength related costs are those expenditures associated with the additional handling and treatment of high strength sewer. Sewer strength is typically measured in biochemical oxygen demand (BOD) and suspended solids (SS). Increased levels of BOD or SS typically equate to increased treatment costs.

The second step is to proportionally allocate the cost components to each customer class. The allocation is based on each customer class’ relative contribution to the cost component using the following allocation factors:

- *Base Allocation Factor:* Base or fixed costs are allocated to each customer class based on the total number of customer accounts in that class of service.
- *Flow Allocation Factor:* Flow-related costs are typically allocated on the basis of contribution to sewer flows. Because the City does not meter wastewater discharges, metered water consumption is used to estimate contributed average wastewater volume units of service.
- *Strength Allocation Factor:* Strength-related costs are classified between BOD and SS. Both of these types of costs are allocated to each of the classes of service based upon the assumed domestic strength level of 175 mg/l for BOD and SS.

## 7.2 Cost Allocation Results

The FY2019/20 was selected as the test year for the sewer cost allocation because it reflects the most recent and up to date cost information. Moreover, beyond FY2019/20, the capital costs included in each option vary significantly which would lead to wide disparities between the two options. Table 37 shows the classification of sewer expenses to the cost components of Base Costs, Flow, and Strength.

**Table 37: Classification of Sewer Expenses by Function**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Budget 2019/20	Classification					Cost Allocation				
		Base	Flow	BOD	SS	Total	Base	Flow	BOD	SS	Total
<b>Operating &amp; Maintenance Expenses</b>											
Personnel Costs	\$685,796	100%	0%	0%	0%	100%	\$685,796	\$0	\$0	\$0	\$685,796
Utilities	\$5,000	0%	50%	25%	25%	100%	\$0	\$2,500	\$1,250	\$1,250	\$5,000
Telephone	\$900	25%	50%	0%	25%	100%	\$225	\$450	\$0	\$225	\$900
Rents & Leases	\$11,300	10%	80%	0%	10%	100%	\$1,130	\$9,040	\$0	\$1,130	\$11,300
Contractual Services	\$1,603,700	10%	30%	30%	30%	100%	\$160,370	\$481,110	\$481,110	\$481,110	\$1,603,700
Office Equipment Maintenance	\$3,680	25%	50%	0%	25%	100%	\$920	\$1,840	\$0	\$920	\$3,680
Department Supplies	\$20,400	25%	50%	0%	25%	100%	\$5,100	\$10,200	\$0	\$5,100	\$20,400
Equipment & Supplies	\$6,900	25%	50%	0%	25%	100%	\$1,725	\$3,450	\$0	\$1,725	\$6,900
Department Equipment Maintenance	\$3,500	25%	50%	0%	25%	100%	\$875	\$1,750	\$0	\$875	\$3,500
Uniform Allowance	\$175	25%	50%	0%	25%	100%	\$44	\$88	\$0	\$44	\$175
Small Tools	\$5,000	25%	50%	0%	25%	100%	\$1,250	\$2,500	\$0	\$1,250	\$5,000
Personnel Training	\$2,500	25%	50%	0%	25%	100%	\$625	\$1,250	\$0	\$625	\$2,500
Vehicle Allowance & Maintenance	\$900	25%	50%	0%	25%	100%	\$225	\$450	\$0	\$225	\$900
Vehicle O&M	\$5,000	25%	50%	0%	25%	100%	\$1,250	\$2,500	\$0	\$1,250	\$5,000
Activities & Programs	\$5,200	0%	50%	25%	25%	100%	\$0	\$2,600	\$1,300	\$1,300	\$5,200
Other Expenses	\$86,400	25%	50%	0%	25%	100%	\$21,600	\$43,200	\$0	\$21,600	\$86,400
Cost Allocation	\$360,538	100%	0%	0%	0%	100%	\$360,538	\$0	\$0	\$0	\$360,538
PW Maintenance & Repair Supplies	\$3,000	25%	50%	0%	25%	100%	\$750	\$1,500	\$0	\$750	\$3,000
Internal Service Charges	\$140,634	100%	0%	0%	0%	100%	\$140,634	\$0	\$0	\$0	\$140,634
Transfers Out	\$72,434	10%	80%	0%	10%	100%	\$7,243	\$57,947	\$0	\$7,243	\$72,434
Subtotal O&M Expenses	\$3,022,957						\$1,390,301	\$622,375	\$483,660	\$526,622	\$3,022,957
<b>Non-Operating Expenses</b>											
Capital Improvement Plan (CIP)	\$2,072,960	25%	25%	25%	25%	100%	\$518,240	\$518,240	\$518,240	\$518,240	\$2,072,960
Subtotal Non-Operating Expenses	\$2,072,960						\$518,240	\$518,240	\$518,240	\$518,240	\$2,072,960
<b>Total Expenses</b>							\$1,908,541	\$1,140,615	\$1,001,900	\$1,044,862	\$5,095,917
<b>Classification Factor</b>							<b>37.5%</b>	<b>22.4%</b>	<b>19.7%</b>	<b>20.5%</b>	<b>100.0%</b>

Table 38 presents the loading calculations used to determine the allocation factors. The City does not meter wastewater discharges, therefore, flow is estimated from metered water data. Projected flow is based on a four-year average from CY2015 through CY2018. To account for water used for outdoor irrigation that is not discharged to the wastewater system, it is assumed that 20% of residential water demand and 10% of commercial demand is for irrigable needs and is therefore not included in the total flow calculation.

**Table 38: Sewer Loading Calculations**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Customer Class	No. of Accounts	Base Factor	Adjusted Projected			Wastewater Strength (mg/l)		Wastewater Loadings (lbs)			
			Wastewater Flow (hcf) (1)	Flow Factor	Flow (MG)	BOD	SS	BOD	SS	BOD Factor	SS Factor
Single Family Residential	3,813	59.2%	451,463	54.7%	338	200	200	563,312	563,312	45.0%	48.9%
Multi-Family Residential	2,021	31.4%	140,129	17.0%	105	175	175	152,990	152,990	12.2%	13.3%
Group II Commercial	275	4.3%	68,396	8.3%	51	250	250	106,677	106,677	8.5%	9.3%
Group III Commercial	56	0.9%	10,982	1.3%	8	500	500	34,256	34,256	2.7%	3.0%
Group IV Commercial	88	1.4%	42,034	5.1%	31	800	800	209,789	209,789	16.7%	18.2%
City Property	15	0.2%	7,560	0.9%	6	200	200	9,433	9,433	0.8%	0.8%
Industrial	164	2.5%	81,132	9.8%	61	310	120	156,911	60,740	12.5%	5.3%
Schools	13	0.2%	24,322	2.9%	18	130	100	19,726	15,174	1.6%	1.3%
<b>Total</b>	<b>6,445</b>	<b>100%</b>	<b>826,018</b>	<b>100%</b>	<b>618</b>			<b>1,253,093</b>	<b>1,152,370</b>	<b>100%</b>	<b>100%</b>

MG - million gallons

1 - Based on 4-year average (2015-2018). Discharge assumptions: 80% of residential consumption and 90% of commercial consumption. Does not include irrigation accounts.

Table 39 includes the allocation factors by customer class. The allocation factors are computed by multiplying the functionalization factors from Table 37 (37.5% for Base, 22.4% for Flow, 19.7% for BOD, and 20.5% for SS) by the loading percentages for each customer class. For example, the single family Residential class has a Flow Allocation Factor of 12.2%, which is the product of the single family Residential Flow Loading Factor of 54.7% and the Flow Functionalization Factor of 22.4%. This means that the flow generated by the single family Residential customer class contributes to 12.2% of the total revenue requirement. Combined with the Base (22.2%), BOD (8.8%), and SS (10.0%) allocation factors, 53.3% of the total revenue requirement is allocated to the single family Residential class.

**Table 39: Sewer Allocation Factors  
City of San Fernando  
Water and Sewer Rate Study 2019**

Customer Class	Factor				
	Base Factor	Flow Factor	BOD Factor	SS Factor	
Single Family Residential	59.2%	54.7%	45.0%	48.9%	
Multi-Family Residential	31.4%	17.0%	12.2%	13.3%	
Group II Commercial	4.3%	8.3%	8.5%	9.3%	
Group III Commercial	0.9%	1.3%	2.7%	3.0%	
Group IV Commercial	1.4%	5.1%	16.7%	18.2%	
City Property	0.2%	0.9%	0.8%	0.8%	
Industrial	2.5%	9.8%	12.5%	5.3%	
Schools	0.2%	2.9%	1.6%	1.3%	
Total	100.0%	100.0%	100.0%	100.0%	
<b>Functionalization Factors</b>	<b>37.5%</b>	<b>22.4%</b>	<b>19.7%</b>	<b>20.5%</b>	
Customer Class	Allocation Factor				
	Base Factor	Flow Factor	BOD Factor	SS Factor	Total Factor
Single Family Residential	22.2%	12.2%	8.8%	10.0%	53.3%
Multi-Family Residential	11.7%	3.8%	2.4%	2.7%	20.7%
Group II Commercial	1.6%	1.9%	1.7%	1.9%	7.0%
Group III Commercial	0.3%	0.3%	0.5%	0.6%	1.8%
Group IV Commercial	0.5%	1.1%	3.3%	3.7%	8.7%
City Property	0.1%	0.2%	0.1%	0.2%	0.6%
Industrial	1.0%	2.2%	2.5%	1.1%	6.7%
Schools	0.1%	0.7%	0.3%	0.3%	1.3%
Total					100.0%

The total costs classified to each cost component were allocated between the customer classes using the allocation factors. Then the allocated expenses for each customer group were aggregated to determine each customer group’s overall revenue responsibility. The required revenue allocations for each customer class for Phase 1 is shown on Table 40.

**Table 40: Sewer Revenue Requirements by Class – PHASE 1  
City of San Fernando  
Water and Sewer Rate Study 2019**

	2019/20	2020/21	2021/22	2022/23	2023/24
<b>SINGLE FAMILY RESIDENTIAL</b>					
Revenue Requirement	\$1,801,523	\$1,846,788	\$1,893,117	\$1,940,512	\$1,988,971
# of Accounts	3,832	3,851	3,870	3,889	3,908
<b>Bi-Monthly Fixed Charge</b>	\$78.35	\$79.93	\$81.53	\$83.16	\$84.82
<b>MULTI- FAMILY RESIDENTIAL</b>					
Revenue Requirement	\$699,056	\$716,620	\$734,598	\$752,989	\$771,793
# of Accounts	2,031	2,041	2,051	2,061	2,071
<b>Bi-Monthly Fixed Charge</b>	\$57.37	\$58.52	\$59.69	\$60.89	\$62.11
<b>NON-RESIDENTIAL</b>					
Revenue Requirement	\$120,116	\$123,134	\$126,223	\$129,383	\$132,614
# of Accounts	613	615	617	619	621
<b>Bi-Monthly Fixed Charge</b>	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
<b>Unit Rates</b>					
Group II Commercial	\$2.67	\$2.72	\$2.78	\$2.83	\$2.89
Group III Commercial	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79
Group IV Commercial	\$6.54	\$6.67	\$6.80	\$6.94	\$7.08
City Property	\$2.32	\$2.36	\$2.41	\$2.46	\$2.51
Industrial	\$2.38	\$2.43	\$2.48	\$2.53	\$2.58
Schools (4)	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86
<b>Revenue Check</b>					
Single Family Residential - Fixed Charges	\$1,801,423	\$1,846,863	\$1,893,127	\$1,940,455	\$1,988,859
Multi-Family Residential - Fixed Charges	\$699,111	\$716,636	\$734,545	\$752,966	\$771,779
Commercial - Fixed Charges	\$120,123	\$123,135	\$126,238	\$129,396	\$132,608
<u>Commercial - Unit Charges</u>	<u>\$762,187</u>	<u>\$781,354</u>	<u>\$801,214</u>	<u>\$821,234</u>	<u>\$842,137</u>
<b>Total</b>	<b>\$3,382,845</b>	<b>\$3,467,988</b>	<b>\$3,555,124</b>	<b>\$3,644,051</b>	<b>\$3,735,384</b>

The allocation of revenue requirements provided in Table 40 has also been calculated for the Phase 2 option, see Appendix B.

## SECTION 8: SEWER RATE DESIGN

The City’s current sewer rate structure includes a fixed charge for all residential sewer customers. Non-residential customers classes are billed a flat charge plus a quantity charge based on metered water use. The quantity charge varies based on customer class and wastewater strength.

Because a residential customer’s peak usage does not directly affect sewer discharge, a flat sewer rate is appropriate for the residential class. The fixed rate provides revenue stability for the City and reflects the fact that the majority of the Sewer Fund’s costs are fixed. By contrast, the majority of non-residential water consumption is for business needs and has a direct relationship to the amount of water discharged. Moreover, the strength characteristics vary significantly between different types of businesses (i.e., an office versus a restaurant). As a result, a fixed base charge plus a quantity charge per unit of water consumed is an appropriate rate structure for non-residential customers.

### 8.1 Reduced Multi-Family Residential Sewer Rate

Currently all residential customers are charged the same flat sewer rate. Based on an analysis of the City’s water consumption, this study proposes a reduced multi-family sewer rate. As shown on Table 41, multi-family customers generally use less water than single-family customers per dwelling unit. Typical sewer discharge for a single family household is estimated at 10 HCF per month. Comparatively, for a multi-family customer, average monthly sewer discharge is approximately 6 HCF. To account for water used for other purposes such as outdoor irrigation, the analysis assumes that 20% of total water used does not go to the sewer system. The rate derivation for the proposed reduced multi-family sewer rate for Phase 1 is shown on Table 44.

**Table 41: Single Family & Multi-Family Residential Sewer Flow**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Customer Class	No. of Dwelling Units	Adjusted Wastewater Flow (HCF) (1)	Average Monthly Flow per Dwelling Unit (HCF)
Single Family Residential	3,813	451,463	10
Multi-Family Residential	2,021	140,129	6

1 - Based on 4-year average (2015-2018). Discharge assumptions: 80% of residential consumption



## 8.2 Billing Units

Customer growth was projected over the next five years as shown on Table 42. The number of current sewer accounts is based on 2017 and 2018 customer data. Customer billing units for FY2020/21 through FY2023/24 are increased annually by 0.5% reflecting modest growth.

**Table 42: Projected Sewer Customers  
City of San Fernando  
Water and Sewer Rate Study 2019**

Customer Class	2018/19	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
Projected Growth		0.5%	0.5%	0.5%	0.5%	0.5%
<b>Residential Dwelling Units</b>						
Single Family Residential	3,813	3,832	3,851	3,870	3,889	3,908
Multi Family Residential	2,021	2,031	2,041	2,051	2,061	2,071
Subtotal	5,834	5,863	5,892	5,921	5,950	5,979
<b>Non-Residential Accounts</b>						
Group II Commercial	275	276	277	278	279	280
Group III Commercial	56	56	56	56	56	56
Group IV Commercial	88	88	88	88	88	88
City Property	15	15	15	15	15	15
Industrial	164	165	166	167	168	169
Schools	13	13	13	13	13	13
Subtotal	611	613	615	617	619	621
<b>Total</b>	<b>6,445</b>	<b>6,476</b>	<b>6,507</b>	<b>6,538</b>	<b>6,569</b>	<b>6,600</b>

### 8.3 Flow Analysis

Table 43 shows the estimated flow by customer class over the next five years. Because the City does not meter wastewater discharges, flow is estimated from metered water data. Projected flow is based on a four-year average from Calendar Year (CY) 2015 through CY2018. To account for water used for outdoor irrigation that is not discharged to the wastewater system, it is assumed that 20% of residential water demand and 10% of commercial demand is for irrigable needs and is therefore not included in the total flow calculation.

**Table 43: Projected Sewer Flow (HCF)**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Customer Class	2018/19	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
Projected Growth		0.5%	0.5%	0.5%	0.5%	0.5%
<b>Residential</b>						
Single Family Residential	451,463	453,720	455,989	458,269	460,560	462,863
Multi Family Residential	140,129	140,829	141,533	142,241	142,952	143,667
Subtotal	591,592	594,549	597,522	600,510	603,512	606,530
<b>Non-Residential</b>						
Group II Commercial	68,396	68,738	69,082	69,427	69,774	70,123
Group III Commercial	10,982	11,037	11,092	11,147	11,203	11,259
Group IV Commercial	42,034	42,244	42,455	42,667	42,880	43,094
City Property	7,560	7,598	7,636	7,674	7,712	7,751
Industrial	81,132	81,538	81,946	82,356	82,768	83,182
Schools	24,322	24,444	24,566	24,689	24,812	24,936
Subtotal	234,426	235,599	236,777	237,960	239,149	240,345
<b>Total (HCF)</b>	<b>826,018</b>	<b>830,148</b>	<b>834,299</b>	<b>838,470</b>	<b>842,661</b>	<b>846,875</b>

## 8.4 Unit Cost Calculation

Table 44 presents the rate derivation for the fixed and quantity charges for Phase 1. The fixed rate for residential customers is derived by dividing the annual revenue requirement by the number of estimated residential dwelling units (Table 42) for each year. The fixed rate for non-residential customers is calculated in the same manner as the residential fixed rate. The unit or quantity charge is derived by multiplying the Flow, BOD, and SS Allocation Factors (Table 39) by the annual revenue requirement (Table 40) and dividing by the estimated water use for each commercial customer class. The rate derivation and unit cost calculations for Phase 2 are provided in Appendix B.

**Table 44: PHASE 1 - Sewer Rate Derivation**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Phase 1				
	2019/20	2020/21	2021/22	2022/23	2023/24
<b>SINGLE FAMILY RESIDENTIAL</b>					
Revenue Requirement	\$1,801,523	\$1,846,788	\$1,893,117	\$1,940,512	\$1,988,971
# of Accounts	3,832	3,851	3,870	3,889	3,908
<b>Bi-Monthly Fixed Charge</b>	\$78.35	\$79.93	\$81.53	\$83.16	\$84.82
<b>MULTI- FAMILY RESIDENTIAL</b>					
Revenue Requirement	\$699,056	\$716,620	\$734,598	\$752,989	\$771,793
# of Accounts	2,031	2,041	2,051	2,061	2,071
<b>Bi-Monthly Fixed Charge</b>	\$57.37	\$58.52	\$59.69	\$60.89	\$62.11
<b>NON-RESIDENTIAL</b>					
Revenue Requirement	\$120,116	\$123,134	\$126,223	\$129,383	\$132,614
# of Accounts	613	615	617	619	621
<b>Bi-Monthly Fixed Charge</b>	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
<b>Unit Rates</b>					
Group II Commercial	\$2.67	\$2.72	\$2.78	\$2.83	\$2.89
Group III Commercial	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79
Group IV Commercial	\$6.54	\$6.67	\$6.80	\$6.94	\$7.08
City Property	\$2.32	\$2.36	\$2.41	\$2.46	\$2.51
Industrial	\$2.38	\$2.43	\$2.48	\$2.53	\$2.58
Schools (4)	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86
<b>Revenue Check</b>					
Single Family Residential - Fixed Charges	\$1,801,423	\$1,846,863	\$1,893,127	\$1,940,455	\$1,988,859
Multi-Family Residential - Fixed Charges	\$699,111	\$716,636	\$734,545	\$752,966	\$771,779
Commercial - Fixed Charges	\$120,123	\$123,135	\$126,238	\$129,396	\$132,608
<u>Commercial - Unit Charges</u>	<u>\$762,187</u>	<u>\$781,354</u>	<u>\$801,214</u>	<u>\$821,234</u>	<u>\$842,137</u>
<b>Total</b>	<b>\$3,382,845</b>	<b>\$3,467,988</b>	<b>\$3,555,124</b>	<b>\$3,644,051</b>	<b>\$3,735,384</b>

## 8.5 Low Income Sewer Rate Assistance

In the past, the City provided a utility discount program for seniors which was phased-out. To comply with Proposition 218's cost of service requirements, sewer rate revenues from one group of customers cannot be used to subsidize the rates of another group. Instead, the City could utilize non-rate revenues associated with interest earnings and delinquent penalties to fund a new program. In FY2019/20, these revenues are estimated at about \$58,000 for the Sewer Fund. It is recommended that the City provide assistance to low income residents who meet the criteria of other local assistance programs such as Southern California Edison's CARE and FERA programs. This eliminates the administrative burden of the City developing its own low-income criteria.

Moreover, the low income discount program should be reviewed annually by the City to determine whether the Sewer Fund has adequate non-rate revenues to fund the program.

## 8.6 Options Comparison

Table 45 provides a comparison of current rates to the FY2019/20 rates developed under the two options.

**Table 45: FY2020 Sewer Rate Comparison**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

	Current Rates	Proposed 2019/20 Rates	
		Phase 1 Main Replacements Only	Phase 2 Main Replacements Only
<b>BI-MONTHLY FIXED CHARGES</b>			
<u>Customer Class</u>			
Single Family Residential	\$65.40	\$78.35	\$81.41
Multi-Family Residential	\$65.40	\$57.37	\$59.60
Group II Commercial (1)	\$37.66	\$32.66	\$33.93
Group III Commercial (2)	\$37.66	\$32.66	\$33.93
Group IV Commercial (3)	\$37.66	\$32.66	\$33.93
City Property	\$37.66	\$32.66	\$33.93
Industrial	\$37.66	\$32.66	\$33.93
Schools (4)	\$37.66	\$32.66	\$33.93
Higher Education (4)	\$37.66	\$32.66	\$33.93
<b>UNIT CHARGES (rate per hcf)</b>			
<u>Customer Class</u>			
Group II Commercial (1)	\$1.89	\$2.67	\$2.77
Group III Commercial (2)	\$3.04	\$4.43	\$4.60
Group IV Commercial (3)	\$4.57	\$6.54	\$6.79
City Property	\$1.44	\$2.32	\$2.41
Industrial	\$1.44	\$2.38	\$2.47
Schools (4)	\$1.28	\$1.71	\$1.78
Higher Education (4)	\$1.28	\$1.71	\$1.78

SFR – single family residential; MFR – multi family residential

1 - Group II Commercial: auto parking, barber shop, car wash, church, commercial use, dental office/clinic, department & retail stores, film processing, food processing plant (industrial), health club/spa, hospitals, indoor theatre, laundromats, library: public ares, lumber yards, membership organizations, motion picture (studios), professional offices, social services, soft water service, theatre (cinema), and warehouse

2 - Group III Commercial: gas station (4 bays max), hotels/motels w/o restaurants, manufacturing, manufacturing (industrial), repair & service stations

3 - Group IV Commercial: bakeries (wholesale)/donut shop, banquet room/ball room, cafeteria, hotels/motels with restaurants, mortuary - embalming area, restaurants, supermarkets

4 - Charge per student

## 8.7 Proposed Sewer Rates

The five-year rate plan for both options is provided in Table 46 and Table 47. Detailed rate calculations for Phase 2 are included in Appendix B. For FY2019/20, the proposed rate adjustments in the cash flows do not directly correlate to the same increase in rates. The cost of service analysis reallocates the required revenue proportionate to each customer class' demand on the sewer system. Therefore, actual rate adjustments will vary between customer classes.

**Table 46: PHASE 1 Five Year Sewer Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<u>Customer Class</u>						
Single Family Residential	\$65.40	\$78.35	\$79.93	\$81.53	\$83.16	\$84.82
Multi-Family Residential	\$65.40	\$57.37	\$58.52	\$59.69	\$60.89	\$62.11
Group II Commercial (1)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Group III Commercial (2)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Group IV Commercial (3)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
City Property	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Industrial	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Schools (4)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Higher Education (4)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
<b>UNIT CHARGES (rate per hcf)</b>						
<u>Customer Class</u>						
Group II Commercial (1)	\$1.89	\$2.67	\$2.72	\$2.78	\$2.83	\$2.89
Group III Commercial (2)	\$3.04	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79
Group IV Commercial (3)	\$4.57	\$6.54	\$6.67	\$6.80	\$6.94	\$7.08
City Property	\$1.44	\$2.32	\$2.36	\$2.41	\$2.46	\$2.51
Industrial	\$1.44	\$2.38	\$2.43	\$2.48	\$2.53	\$2.58
Schools (4)	\$1.28	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86
Higher Education (4)	\$1.28	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86

SFR – single family residential; MFR – multi family residential

1 - Group II Commercial: auto parking, barber shop, car wash, church, commercial use, dental office/clinic, department & retail stores, film processing, food processing plant (industrial), health club/spa, hospitals, indoor theatre, laundromats, library: public areas, lumber yards, membership organizations, motion picture (studios), professional offices, social services, soft water service, theatre (cinema), and warehouse

2 - Group III Commercial: gas station (4 bays max), hotels/motels w/o restaurants, manufacturing, manufacturing (industrial), repair & service stations

3 - Group IV Commercial: bakeries (wholesale)/donut shop, banquet room/ball room, cafeteria, hotels/motels with restaurants, mortuary - embalming area, restaurants, supermarkets

4 - Charge per student

**Table 47: PHASE 2 Five Year Sewer Rate Plan  
City of San Fernando  
Water and Sewer Rate Study 2019**

	Current	Projected				
		2019/20	2020/21	2021/22	2022/23	2023/24
<b>BI-MONTHLY FIXED CHARGES</b>						
<u>Customer Class</u>						
Single Family Residential	\$65.40	\$81.41	\$86.31	\$91.51	\$97.02	\$102.86
Multi-Family Residential	\$65.40	\$59.60	\$63.19	\$67.00	\$71.03	\$75.31
Group II Commercial (1)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Group III Commercial (2)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Group IV Commercial (3)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
City Property	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Industrial	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Schools (4)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Higher Education (4)	\$37.66	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
<b>UNIT CHARGES (rate per hcf)</b>						
<u>Customer Class</u>						
Group II Commercial (1)	\$1.89	\$2.77	\$2.94	\$3.12	\$3.31	\$3.50
Group III Commercial (2)	\$3.04	\$4.60	\$4.88	\$5.17	\$5.48	\$5.81
Group IV Commercial (3)	\$4.57	\$6.79	\$7.20	\$7.63	\$8.09	\$8.58
City Property	\$1.44	\$2.41	\$2.55	\$2.71	\$2.87	\$3.04
Industrial	\$1.44	\$2.47	\$2.62	\$2.78	\$2.95	\$3.13
Schools (4)	\$1.28	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25
Higher Education (4)	\$1.28	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25

SFR – single family residential; MFR – multi family residential

1 - Group II Commercial: auto parking, barber shop, car wash, church, commercial use, dental office/clinic, department & retail stores, film processing, food processing plant (industrial), health club/spa, hospitals, indoor theatre, laundromats, library: public ares, lumber yards, membership organizations, motion picture (studios), professional offices, social services, soft water service, theatre (cinema), and warehouse

2 - Group III Commercial: gas station (4 bays max), hotels/motels w/o restaurants, manufacturing, manufacturing (industrial), repair & service stations

3 - Group IV Commercial: bakeries (wholesale)/donut shop, banquet room/ball room, cafeteria, hotels/motels with restaurants, mortuary - embalming area, restaurants, supermarkets

4 - Charge per student

## 8.8 Bill Impacts

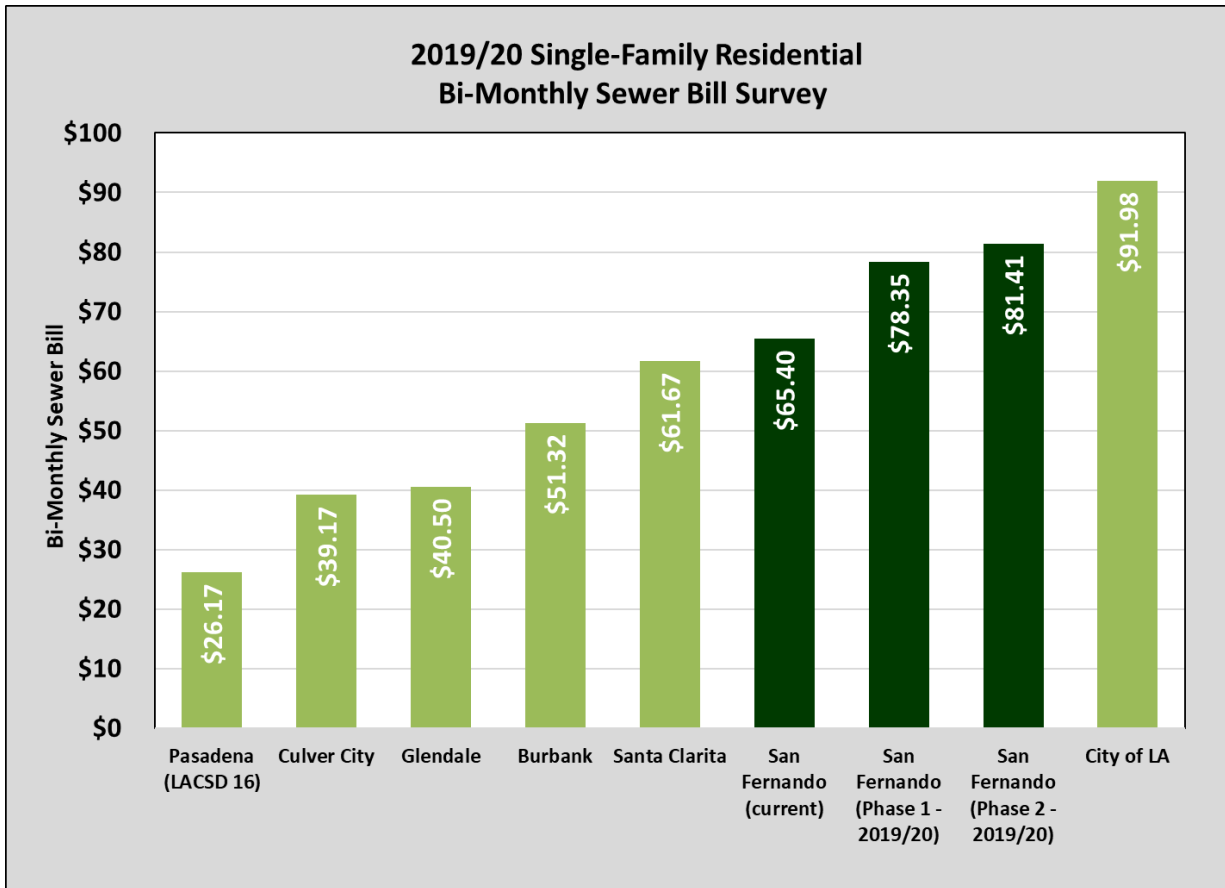
Table 48 provides a bill impact analysis for residential customers and a sample of sewer customers with varying levels of water use. It is important to note that water consumption levels may fluctuate each month. Therefore, non-residential customers will see a range of impacts throughout the year.

**Table 48: Sample Sewer Bill Impacts**  
**City of San Fernando**  
**Water and Sewer Rate Study 2019**

Example Customer	Bi-Monthly Water Use (hcf)	Current	PHASE 1					PHASE 2				
			2019/20	2020/21	2021/22	2022/23	2023/24	2019/20	2020/21	2021/22	2022/23	2023/24
<b>RESIDENTIAL</b>												
Single Family Residential		\$65.40	\$78.35	\$79.93	\$81.53	\$83.16	\$84.82	\$81.41	\$86.31	\$91.51	\$97.02	\$102.86
\$ Change			\$12.95	\$1.58	\$1.60	\$1.63	\$1.66	\$16.01	\$4.90	\$5.20	\$5.51	\$5.84
% Change			20%	2%	2%	2%	2%	24%	6%	6%	6%	6%
Multi-Family Residential		\$65.40	\$57.37	\$58.52	\$59.69	\$60.89	\$62.11	\$59.60	\$63.19	\$67.00	\$71.03	\$75.31
\$ Change			(\$8.03)	\$1.15	\$1.17	\$1.20	\$1.22	(\$5.80)	\$3.59	\$3.81	\$4.03	\$4.28
% Change			-12%	2%	2%	2%	2%	-9%	6%	6%	6%	6%
<b>NON-RESIDENTIAL</b>												
<i>Group II Commercial</i>												
Fixed Charge		\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Unit Charges	16	\$30.24	\$42.72	\$43.52	\$44.48	\$45.28	\$46.24	\$44.32	\$47.04	\$49.92	\$52.96	\$56.00
Total Bill		\$67.90	\$75.38	\$76.89	\$78.58	\$80.12	\$81.83	\$78.25	\$83.07	\$88.19	\$93.60	\$99.16
\$ Change			\$7.48	\$1.51	\$1.69	\$1.54	\$1.71	\$10.35	\$4.82	\$5.12	\$5.41	\$5.56
% Change			11%	2%	2%	2%	2%	15%	6%	6%	6%	6%
<i>Group III Commercial</i>												
Fixed Charge		\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Unit Charges	30	\$91.20	\$132.90	\$135.60	\$138.30	\$141.00	\$143.70	\$138.00	\$146.40	\$155.10	\$164.40	\$174.30
Total Bill		\$128.86	\$165.56	\$168.97	\$172.40	\$175.84	\$179.29	\$171.93	\$182.43	\$193.37	\$205.04	\$217.46
\$ Change			\$36.70	\$3.41	\$3.43	\$3.44	\$3.45	\$43.07	\$10.50	\$10.94	\$11.67	\$12.42
% Change			28%	2%	2%	2%	2%	33%	6%	6%	6%	6%
<i>Group IV Commercial</i>												
Fixed Charge		\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Unit Charges	80	\$365.60	\$523.20	\$533.60	\$544.00	\$555.20	\$566.40	\$543.20	\$576.00	\$610.40	\$647.20	\$686.40
Total Bill		\$403.26	\$555.86	\$566.97	\$578.10	\$590.04	\$601.99	\$577.13	\$612.03	\$648.67	\$687.84	\$729.56
\$ Change			\$152.60	\$11.11	\$11.13	\$11.94	\$11.95	\$173.87	\$34.90	\$36.64	\$39.17	\$41.72
% Change			38%	2%	2%	2%	2%	43%	6%	6%	6%	6%
<i>City Property</i>												
Fixed Charge		\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Unit Charges	50	\$72.00	\$116.00	\$118.00	\$120.50	\$123.00	\$125.50	\$120.50	\$127.50	\$135.50	\$143.50	\$152.00
Total Bill		\$109.66	\$148.66	\$151.37	\$154.60	\$157.84	\$161.09	\$154.43	\$163.53	\$173.77	\$184.14	\$195.16
\$ Change			\$39.00	\$2.71	\$3.23	\$3.24	\$3.25	\$44.77	\$9.10	\$10.24	\$10.37	\$11.02
% Change			36%	2%	2%	2%	2%	41%	6%	6%	6%	6%
<i>Industrial</i>												
Fixed Charge		\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Unit Charges	85	\$122.40	\$202.30	\$206.55	\$210.80	\$215.05	\$219.30	\$209.95	\$222.70	\$236.30	\$250.75	\$266.05
Total Bill		\$160.06	\$234.96	\$239.92	\$244.90	\$249.89	\$254.89	\$243.88	\$258.73	\$274.57	\$291.39	\$309.21
\$ Change			\$74.90	\$4.96	\$4.98	\$4.99	\$5.00	\$83.82	\$14.85	\$15.84	\$16.82	\$17.82
% Change			47%	2%	2%	2%	2%	52%	6%	6%	6%	6%
<i>School</i>												
Fixed Charge		\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
Unit Charges	100	\$128.00	\$171.00	\$175.00	\$178.00	\$182.00	\$186.00	\$178.00	\$189.00	\$200.00	\$212.00	\$225.00
Total Bill		\$165.66	\$203.66	\$208.37	\$212.10	\$216.84	\$221.59	\$211.93	\$225.03	\$238.27	\$252.64	\$268.16
\$ Change			\$38.00	\$4.71	\$3.73	\$4.74	\$4.75	\$46.27	\$13.10	\$13.24	\$14.37	\$15.52
% Change			23%	2%	2%	2%	2%	28%	6%	6%	6%	6%



The figure below compares the City's current and proposed typical residential sewer bill with the bills of other local agencies.



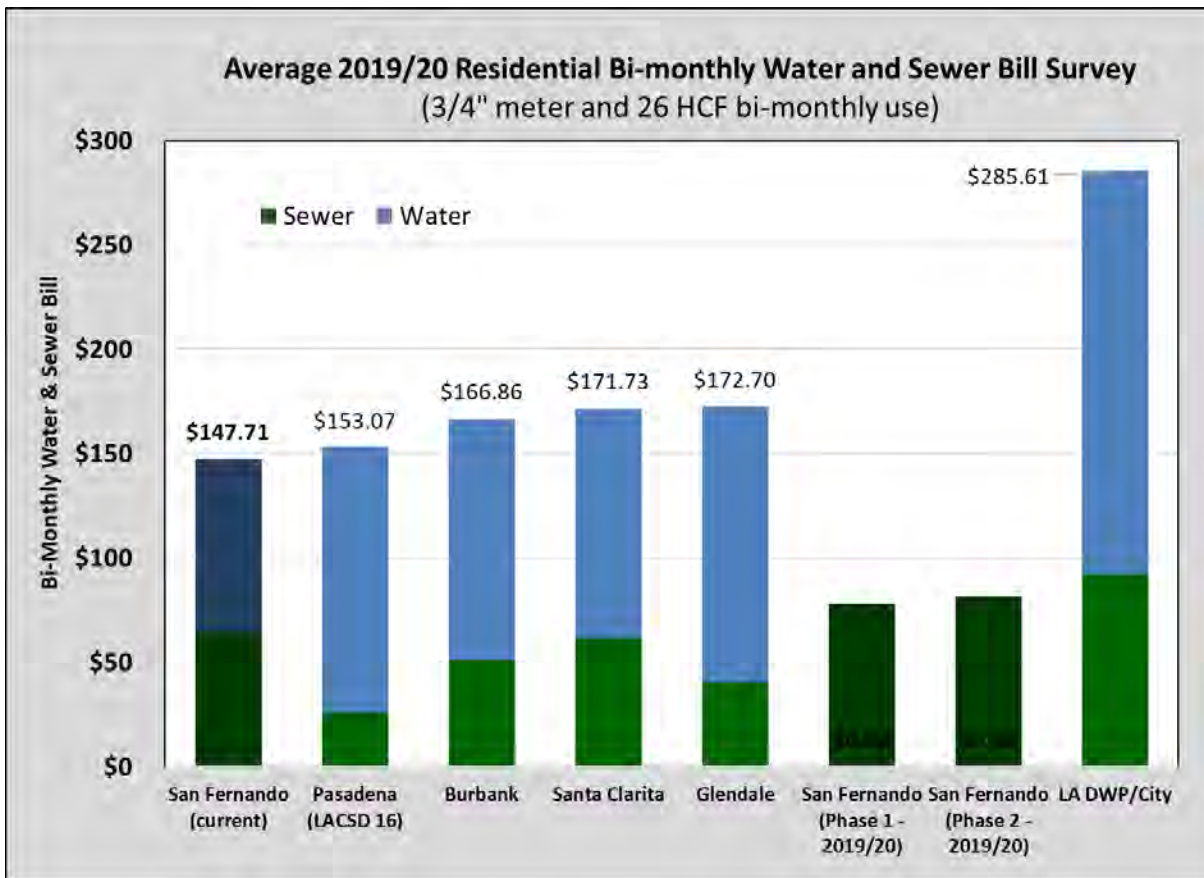
## SECTION 9: CONCLUSIONS AND RECOMMENDATIONS

### 9.1 Rate Study Conclusions

The rates developed in this report were based on the best available information gathered from City billing data, audits, budgets, and input from staff and City Council. The cost allocations proposed herein are based on American Water Works Association methodologies and industry standard practice. The proposed rates are based on the reasonable cost of providing service and proportional to the benefits received by each customer. It is recommended that the City update its rates and cost of service every five years to account for cost increases, operational changes, and growth in the customer base.

### 9.2 Utility Bill Comparison

The figure below compares the City’s current combined water and sewer bill with the bills of other local agencies.



# APPENDIX A: Water Cost Allocation Table for Phase 2 Option

**Table A1: PHASE 2 - Water Cost Allocation**  
 Water Rate Study 2019  
 Water Rate Study 2019

Expenses	Budget 2019/20	Allocation Categories				Notes	Base	Extra	Cust. Serv.	Meters & Services
		Base	Extra	Cust. Serv.	Meters & Svcs					
Production	665,950	562,153	103,797	0	0	Avg/Max Day (2)	84%	16%	0%	0%
Distribution	118,500	100,030	18,470	0	0	Avg/Max Day (2)	84%	16%	0%	0%
Utility Billing	264,439	0	0	264,439	0		0%	0%	100%	0%
O&M Subtotal	1,048,889	662,184	122,266	264,439	0					
Administration	2,728,252	1,636,951	545,650	136,413	409,238		60%	20%	5%	15%
Capital (2)	705,895	547,731	101,134	946	56,085	5 yr composite	78%	14%	0.1%	8%
	3,434,148	2,184,683	646,784	137,358	465,322					
<b>Total</b>	<b>4,483,036</b>	<b>2,846,866</b>	<b>769,051</b>	<b>401,797</b>	<b>465,322</b>		<b>64%</b>	<b>17%</b>	<b>9%</b>	<b>10%</b>

1 - Five-year average from 2015/16 through 2019/20  
 2 - Based on the ratio of the peak bi-monthly period to the average bi-monthly period's water use

**Table A2: PHASE 2 - Allocation to Fixed and Variable Cost Categories**  
 City of San Fernando  
 Water Rate Study 2019

Categories	Base			Extra		
	Total Cost	Fixed	Variable	Total Cost	Fixed	Variable
Production (1)	562,153	26%	74%	103,797	26%	74%
Distribution	100,030	0%	100%	18,470	0%	100%
Utility Billing	0	NA	NA	0	NA	NA
O&M Subtotal	662,184	147,948	514,236	122,266	27,317	94,949
Composite		22%	78%		22%	78%
Administration	1,636,951	22%	78%	545,650	22%	78%
Capital	547,731	50%	50%	101,134	50%	50%
	2,184,683	639,601	1,545,082	646,784	172,479	474,306
<b>Total</b>	<b>2,846,866</b>	<b>787,549</b>	<b>2,059,317</b>	<b>769,051</b>	<b>199,796</b>	<b>569,255</b>
Cost Allocation		28%	72%		26%	74%

1 - Contractual services allocated to fixed

**Table A3: PHASE 2 - Unit Cost Calculation**  
**City of San Fernando**  
**Water Rate Study 2019**

	Base		Extra		Cust. Serv.	Meters & Services	Total
Cost Allocation	64%		17%		9%	10%	100%
FY2020 Rate Revenue	\$2,841,127.83		\$767,501		\$400,987	\$464,384	\$4,474,000
	Fixed	Variable	Fixed	Variable	Fixed	Fixed	
	28%	72%	26%	74%	100%	100%	
Cost	\$785,961	\$2,055,166	\$199,393	\$568,107	\$400,987	\$464,384	\$4,474,000
Billing Units	8,136	1,117,631	8,136	1,117,631	5,040	8,136	
	Meter Equiv.	HCF (1)	Meter Equiv.	HCF (2)	# of Accounts	Meter Equiv.	
Rate	\$16.10	\$1.84	\$4.08	\$0.51	\$13.26	\$9.51	
	\$/bimo/equiv.	\$/HCF	\$/bimo/equiv.	\$/HCF	\$/bimo/account	\$/bimo/equiv.	

Total Volume Rate	\$2.35	\$2,623,274	59%
Total Meter Equiv. Rate	\$29.69	\$1,449,739	32%
Total Customer Serv. Rate	\$13.26	\$400,987	9%

1 - 98% of calendar year 2018 water use. As rates change, customers may respond by consuming less water.

**Table A4: PHASE 2 - 2019/20 Fixed Charge Calculation**  
**City of San Fernando**  
**Water Rate Study 2019**

Meter Size	Meter Ratio		Unit Cost		Meters & Services, Fixed Base-Extra		Cust. Serv.	Total Fixed Charge
5/8" and 3/4"	1.00	X	\$29.69	=	\$29.69	+	\$13.26	\$42.95
1"	2.50	X	\$29.69	=	\$74.23	+	\$13.26	\$87.49
1-1/2"	5.00	X	\$29.69	=	\$148.45	+	\$13.26	\$161.71
2"	8.00	X	\$29.69	=	\$237.52	+	\$13.26	\$250.78
3"	16.00	X	\$29.69	=	\$475.04	+	\$13.26	\$488.30
4"	25.00	X	\$29.69	=	\$742.25	+	\$13.26	\$755.51
6"	50.00	X	\$29.69	=	\$1,484.50	+	\$13.26	\$1,497.76

## APPENDIX B: Sewer Cost Allocation Tables for Phase 2 Option

**Table B1: PHASE 2 - Allocation of Revenue Requirements**  
**City of San Fernando**  
**Sewer Rate Study 2019**

Customer Class	Total Allocation Factor	Phase 2: Revenue Requirement				
		2019/20	2020/21	2021/22	2022/23	2023/24
<b>Revenue Requirement (1)</b>		\$3,515,000	\$3,745,000	\$3,990,000	\$4,251,000	\$4,529,000
<u>Customer Class</u>						
Single Family Residential	53.3%	\$1,871,816	\$1,994,296	\$2,124,764	\$2,263,753	\$2,411,794
Multi-Family Residential	20.7%	\$726,332	\$773,859	\$824,485	\$878,418	\$935,863
Group II Commercial	7.0%	\$246,866	\$263,020	\$280,227	\$298,557	\$318,082
Group III Commercial	1.8%	\$62,215	\$66,286	\$70,623	\$75,242	\$80,163
Group IV Commercial	8.7%	\$304,915	\$324,867	\$346,120	\$368,760	\$392,876
City Property	0.6%	\$21,366	\$22,764	\$24,254	\$25,840	\$27,530
Industrial	6.7%	\$235,298	\$250,695	\$267,095	\$284,567	\$303,177
Schools	1.3%	\$46,190	\$49,213	\$52,432	\$55,862	\$59,515
<b>Total</b>	<b>100.0%</b>	<b>\$3,648,000</b>	<b>\$3,745,000</b>	<b>\$3,990,000</b>	<b>\$4,251,000</b>	<b>\$4,529,000</b>

1 - Because the new rates will go into effect on January 1 of each year, the City will only collect 6 months of revenue at the new rates. The revenue requirements shown here represents a full 12 months of revenues at the new rates, which is used for rate design purposes.

**Table B2: PHASE 2 - Sewer Rate Derivation**  
**City of San Fernando**  
**Sewer Rate Study 2019**

	Phase 2				
	2019/20	2020/21	2021/22	2022/23	2023/24
<b>SINGLE FAMILY RESIDENTIAL</b>					
Revenue Requirement	\$1,871,816	\$1,994,296	\$2,124,764	\$2,263,753	\$2,411,794
# of Accounts	3,832	3,851	3,870	3,889	3,908
<b>Bi-Monthly Fixed Charge</b>	\$81.41	\$86.31	\$91.51	\$97.02	\$102.86
<b>MULTI- FAMILY RESIDENTIAL</b>					
Revenue Requirement	\$726,332	\$773,859	\$824,485	\$878,418	\$935,863
# of Accounts	2,031	2,041	2,051	2,061	2,071
<b>Bi-Monthly Fixed Charge</b>	\$59.60	\$63.19	\$67.00	\$71.03	\$75.31
<b>NON-RESIDENTIAL</b>					
Revenue Requirement	\$124,802	\$132,969	\$141,667	\$150,934	\$160,805
# of Accounts	613	615	617	619	621
<b>Bi-Monthly Fixed Charge</b>	\$33.93	\$36.03	\$38.27	\$40.64	\$43.16
<b>Unit Rates</b>					
Group II Commercial	\$2.77	\$2.94	\$3.12	\$3.31	\$3.50
Group III Commercial	\$4.60	\$4.88	\$5.17	\$5.48	\$5.81
Group IV Commercial	\$6.79	\$7.20	\$7.63	\$8.09	\$8.58
City Property	\$2.41	\$2.55	\$2.71	\$2.87	\$3.04
Industrial	\$2.47	\$2.62	\$2.78	\$2.95	\$3.13
Schools (4)	\$1.78	\$1.89	\$2.00	\$2.12	\$2.25
<b>Revenue Check</b>					
Single Family Residential - Fixed Charges	\$1,871,779	\$1,994,279	\$2,124,862	\$2,263,865	\$2,411,861
Multi-Family Residential - Fixed Charges	\$726,286	\$773,825	\$824,502	\$878,357	\$935,802
Commercial - Fixed Charges	\$124,795	\$132,951	\$141,676	\$150,937	\$160,814
<u>Commercial - Unit Charges</u>	<u>\$791,232</u>	<u>\$843,506</u>	<u>\$898,916</u>	<u>\$958,144</u>	<u>\$1,020,621</u>
<b>Total</b>	<b>\$3,514,090</b>	<b>\$3,744,560</b>	<b>\$3,989,955</b>	<b>\$4,251,303</b>	<b>\$4,529,098</b>

## **Exhibit 2:**

# **PW Water and Sewer Fee Increase (11/26/19)**

6 Pages



**To:** Mayor Joel Fajardo and Councilmembers

**From:** Nick Kimball, City Manager  
**By:** Martin Pastucha, Interim Director of Public Works

**Date:** November 26, 2019

**Subject:** Consideration to Adopt Proposed Water and Sewer Rate Increases

**RECOMMENDATION:**

It is recommended that the City Council:

- a. Reopen the continued Proposition 218 (Prop. 218) Public Hearing;
- b. Provide comments and questions;
- c. Receive public comment pursuant to Prop. 218 requirements;
- d. Close the Public Hearing;
- e. Announce the official number of written protests received on proposed water and sewer rate increases;
- f. Adopt Resolution No. 7963 (Attachment "A") establishing new Water Rates if the number of valid protests votes is below 50% of the number of property owners or customers authorized to vote;
- g. Adopt Resolution No. 7964 (Attachment "B") establishing new Sewer Rates if the number of valid protests votes is below 50% of the number of property owners or customers authorized to vote;
- h. Approve the recommended revised Income-Based Assistance Program; and
- i. Provide direction to staff regarding an enhanced water conservation program.



**BACKGROUND:**

1. On August 17, 2017, the City Council approved a Professional Service Agreement with Lechowicz & Tseng to prepare a water and sewer utility rate study in accordance with Prop. 218 requirements.
2. On June 3, 2019, the City Council approved the creation of an Ad Hoc Committee (Vice Mayor Ballin and Councilmember Lopez) to review the Water & Sewer Utility Rate Study (Study) prepared by Lechowicz & Tseng.
3. On June 26, 2019 and August 27, 2019, the Ad Hoc Committee met with the consultant and staff to review the Study, provide feedback and finalize the Ad Hoc Committee's recommendation for proposed water and sewer rate adjustments.
4. On September 16, 2019, Lechowicz & Tseng gave a presentation to City Council on the water and sewer rate study, which included two rate options: Phase One that included system maintenance only and Phase Two that included system maintenance plus system enhancements. Staff presented the Ad Hoc Committee's recommendation to move forward with the Phase One water and sewer rates.
5. On September 16, 2019, the City Council approved the Ad Hoc Committee's recommendation and authorized the City Manager to direct Lechowicz & Tseng to initiate the Prop 218 process for the Phase One Water Rate Plan and the Phase One Sewer Rate Plan.
6. On October 1, 2019, the Water and Sewer Rate Prop. 218 Notice (Attachment "C") was mailed out to 6,675 addresses made up of both property owners and ratepayers.
7. On November 7, 2019, a Notice of Public Hearing on water and sewer rate adjustments was published in the San Fernando Valley Sun.
8. On November 18, 2019, the City Council received a presentation of the proposed water and sewer rate increases and conducted the Prop. 218 majority protest hearing. The City received nine written protests and three verbal protests. Following questions and discussion by City Council, the protest hearing was closed and the item was continued.
9. On November 22, 2019, staff met with the Ad Hoc Committee (Vice Mayor Ballin and Councilmember Pacheco) to receive additional feedback and present options to phase in the initial rate increases, as well as other programs to assist ratepayers by offsetting the proposed rate increases.

**ANALYSIS:**

Pursuant to feedback received from the ratepayers during the public hearing, City Council discussion, and meeting with the Ad Hoc Committee, staff is proposing a number of revisions to phase in the initial rate increase and assist ratepayers by offsetting future rate increases. The tables below identify the revised water and sewer rates, which presents a two-year phase in of the initial increase and a slight increase to the bill assistance program for low-income residents. Rather than fully implementing an increase of approximately 20% in the first year as was included in the original proposed rates, the revised recommended rates spread that increase over two years, or 10% in year one and 10% in year two<sup>1</sup>.

Revised Recommended Water and Sewer Rate Plans.

**Phase One Water Rate Plan:**

The revised Phase One Water Rate Plan is based on generating sufficient revenue annually to cover the cost of basic ongoing maintenance and repair of the City’s water infrastructure and the implementation of an \$8 million Capital Improvement Plan (CIP) that focuses strictly on water main replacement. The proposed revision will result in approximately \$339,000 in reduced revenue over the five-year period. Staff will work to offset this loss in revenue through grants or other revenue sources.

**Table I: Phase 1 Revised Five Year Water Rate Plan**

	Current Rates	PROPOSED WATER RATES				
		Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
<b>FIXED METER CHARGES</b>						
<u>Meter Size</u>						
5/8" and 3/4"	\$37.37	\$40.11	\$42.11	\$47.96	\$51.80	\$55.94
1"	\$63.93	\$83.53	\$90.24	\$97.45	\$105.25	\$113.66
1-1/2"	\$108.20	\$154.23	\$166.61	\$179.92	\$194.32	\$209.86
2"	\$161.32	\$239.07	\$258.26	\$278.89	\$301.21	\$325.30
3"	\$302.99	\$465.31	\$502.66	\$542.81	\$586.25	\$633.14
4"	\$462.37	\$719.83	\$777.61	\$839.72	\$906.92	\$979.46
6"	\$905.07	\$1,426.83	\$1,541.36	\$1,664.47	\$1,797.67	\$1,941.46
<b>COMMODITY CHARGES<sup>1</sup> (per HCF<sup>2</sup>)</b>						
<b>Single &amp; Multi-Family Residential</b>						
Tier 1: 0 - 18 hcf	\$1.31	\$2.10	\$2.40	\$2.66	\$2.87	\$3.10

<sup>1</sup> The increases identified is for illustration purposes only. Each customer’s actual increase is dependent on their current billing category.

**Consideration to Adopt Proposed Water and Sewer Rate Increases**

	Current Rates	PROPOSED WATER RATES				
		Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
Tier 2: 19 - 36 hcf	\$2.67	\$2.10	\$2.40	\$2.66	\$2.87	\$3.10
Tier 3: Over 36 hcf	\$3.56	\$2.10	\$2.40	\$2.66	\$2.87	\$3.10
<b>Non-Residential</b>	\$2.38	\$2.10	\$2.40	\$2.66	\$2.87	\$3.10

**Phase One Sewer Rate Plan:**

The revised Phase One Sewer Rate Plan is also based on generating sufficient revenue to cover the increasing cost associated with basic ongoing maintenance and repair of the sewer infrastructure and the implementation of \$1.1 million CIP that focuses only on sewer main replacement. The proposed revision will result in approximately \$132,000 in reduced revenue over the five-year period. Staff will work to offset this loss in revenue through grants or other revenue sources.

**Table II: Phase 1 Revised Five Year Sewer Rate Plan**

	Current Rates	PROPOSED BI-MONTHLY SEWER RATES				
		Jan 1, 2020	Jan 1, 2021	Jan 1, 2022	Jan 1, 2023	Jan 1, 2024
<b>FIXED CHARGES</b>						
<u>Customer Class</u>						
Single Family Residential	\$65.40	\$72.59	\$79.93	\$81.53	\$83.16	\$84.82
Multi-Family Residential	\$65.40	\$57.37	\$58.52	\$59.69	\$60.89	\$62.11
Group II Commercial (1)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Group III Commercial (2)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Group IV Commercial (3)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
City Property	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Industrial	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Schools (4)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
Higher Education (4)	\$37.66	\$32.66	\$33.37	\$34.10	\$34.84	\$35.59
<b>VOLUME CHARGES (per HCF)</b>						
<u>Customer Class</u>						
Group II Commercial (1)	\$1.89	\$2.67	\$2.72	\$2.78	\$2.83	\$2.89
Group III Commercial (2)	\$3.04	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79
Group IV Commercial (3)	\$4.57	\$6.54	\$6.67	\$6.80	\$6.94	\$7.08
City Property	\$1.44	\$2.32	\$2.36	\$2.41	\$2.46	\$2.51
Industrial	\$1.44	\$2.38	\$2.43	\$2.48	\$2.53	\$2.58
Schools (4)	\$1.28	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86
Higher Education (4)	\$1.28	\$1.71	\$1.75	\$1.78	\$1.82	\$1.86

Revised Bill Assistance Program for Low Income Customers.

On September 16, 2019, the City Council approved a low-income bill assistance program of \$16 per billing period (\$10 applied to water bill and \$6 applied to sewer bill). After additional analysis, staff is recommending an increase to the low-income bill assistance program to \$18 per billing period (\$11 applied to water bill and \$7 applied to sewer bill). Prop. 218 does not allow rate revenues generated from one group of customers to off-set the rates of another group. Consequently, the City may only utilize non-rate revenues, such as interest earning and delinquent penalties, to fund an income-based bill assistance program.

The City will use Southern California Edison's (SCE) California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs to confirm eligibility for the proposed bill assistance program. As such, customers requesting the income based bill assistance program will have to provide evidence that they are currently enrolled in SCE's CARE or FERA programs. Based on information obtained from SCE, approximately 1,700 to 1,900 San Fernando customers may qualify for rate assistance program.

Enhanced Water Conservation Program.

In addition to the proposed rate smoothing and revised low-income bill assistance program, the City Council and the Ad Hoc Committee expressed a desire to increase conservation efforts, which will also have a cost savings on customers' utility bills. As a Metropolitan Water District (MWD) member agency, there are a number of programs available to the City's customers, including, but not limited to, toilet retrofits, shower head retrofits, irrigation retrofits, and drought tolerant landscaping. Additionally, the City can explore water audit programs to assist high water users with identifying cost effective improvements that can be implemented to conserve water.

The City can develop a more aggressive marketing and information program to encourage more participation in these programs to assist the City in meeting mandatory conservation goals and assist customers with off-setting rate increases.

**BUDGET IMPACT:**

The water and sewer utilities are operated as Enterprise Funds. As a result, both utilities must be self-sustaining and funded entirely from rates and fee for service charges that are separate and apart from the City's General Fund. The proposed rates and charges will provide funding adequate to maintain the City's water and sewer service and provide revenues proportionate to the cost of providing these services. The proposed annual increases account for annual inflation and projected cost of service increases. Revenues will increase annually proportionate to the needs to fully fund both operating and capital programs. The recommended rates are proposed take effect January 1, 2020.

**CONCLUSION:**

It is recommended that the City Council conduct the Prop 218 Public Hearing process and adopt Resolution Nos. 7963 and 7964 establishing new Water and Sewer Rates, respectively, and approve the recommended income assistance program and water conservation program.

**ATTACHMENTS:**

- A. Resolution No. 7963
- B. Resolution No. 7964
- C. Prop. 218 Notice

# **Exhibit 3:**

## Jobs Housing Balance

1 Page

	2020	2020	2016	2016	Jobs/Hsg Ratio	RHNA	RHNA/2020 Hsg	% Co. RHNA	% 2020 Co. Hsg.	Comment
Baldwin Park	76,252	18,048	17,800	24,700	1.39	1,996	0.11	0.25%	0.50%	
Burbank	105,861	44,978	44,618	114,000	2.56	8,751	0.19	1.08%	1.25%	
El Monte	116,675	29,588	29,268	30,600	1.05	8,481	0.29	1.04%	0.82%	Major Transit hub
Glendale	205,331	81,019	78,256	117,000	1.50	13,393	0.17	1.65%	2.26%	
La Puente	40,568	9,889	9,791	6,600	0.67	1,924	0.19	0.24%	0.28%	
Los Angeles	4,010,684	1,517,755	1,453,271	1,848,300	1.27	455,577	0.30	56.03%	42.27%	
Pasadena	144,842	62,753	60,703	116,200	1.91	9,408	0.15	1.16%	1.75%	
<b>San Fernando</b>	<b>25,207</b>	<b>6,598</b>	<b>6,424</b>	<b>11,400</b>	<b>1.77</b>	<b>1,791</b>	<b>0.27</b>	<b>0.22%</b>	<b>0.18%</b>	
San Gabriel	40,104	13,564	13,564	14,900	1.10	3,017	0.22	0.37%	0.38%	
Santa Clarita	221,932	77,008	71,756	91,200	1.27	10,008	0.13	1.23%	2.14%	
South El Monte	21,204	5,012	4,823	16,800	3.48	576	0.11	0.07%	0.14%	
LA County	10,172,951	3,590,574	3,504,173	5,172,000	1.48	813,082	0.23	100.00%	100.00%	

## **Exhibit 4:**

Metro ESFV IOS  
PowerPoint presentation,  
October 2020

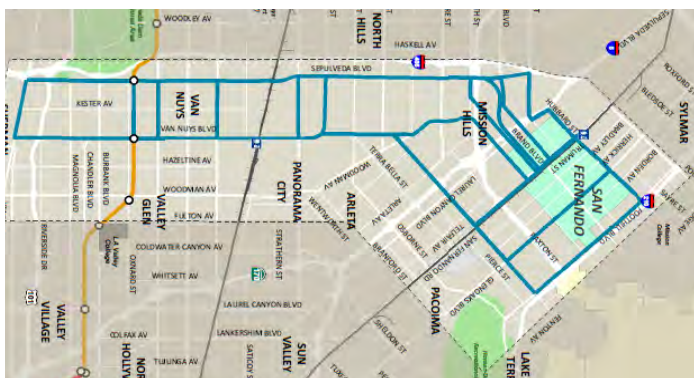
7 Pages



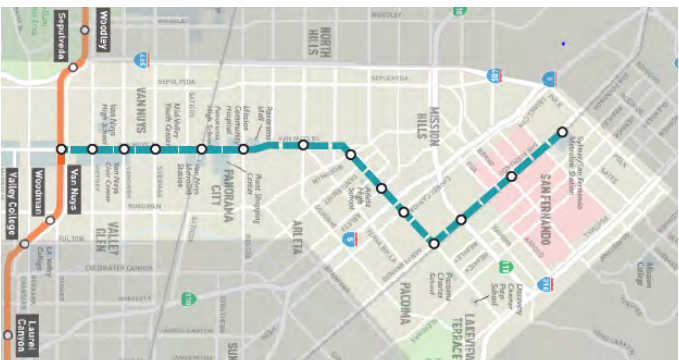
# Alignments Previously Considered



**Metro Alternatives  
Analysis Report (2011)**



**ESFV DEIS/DEIR (2018)**



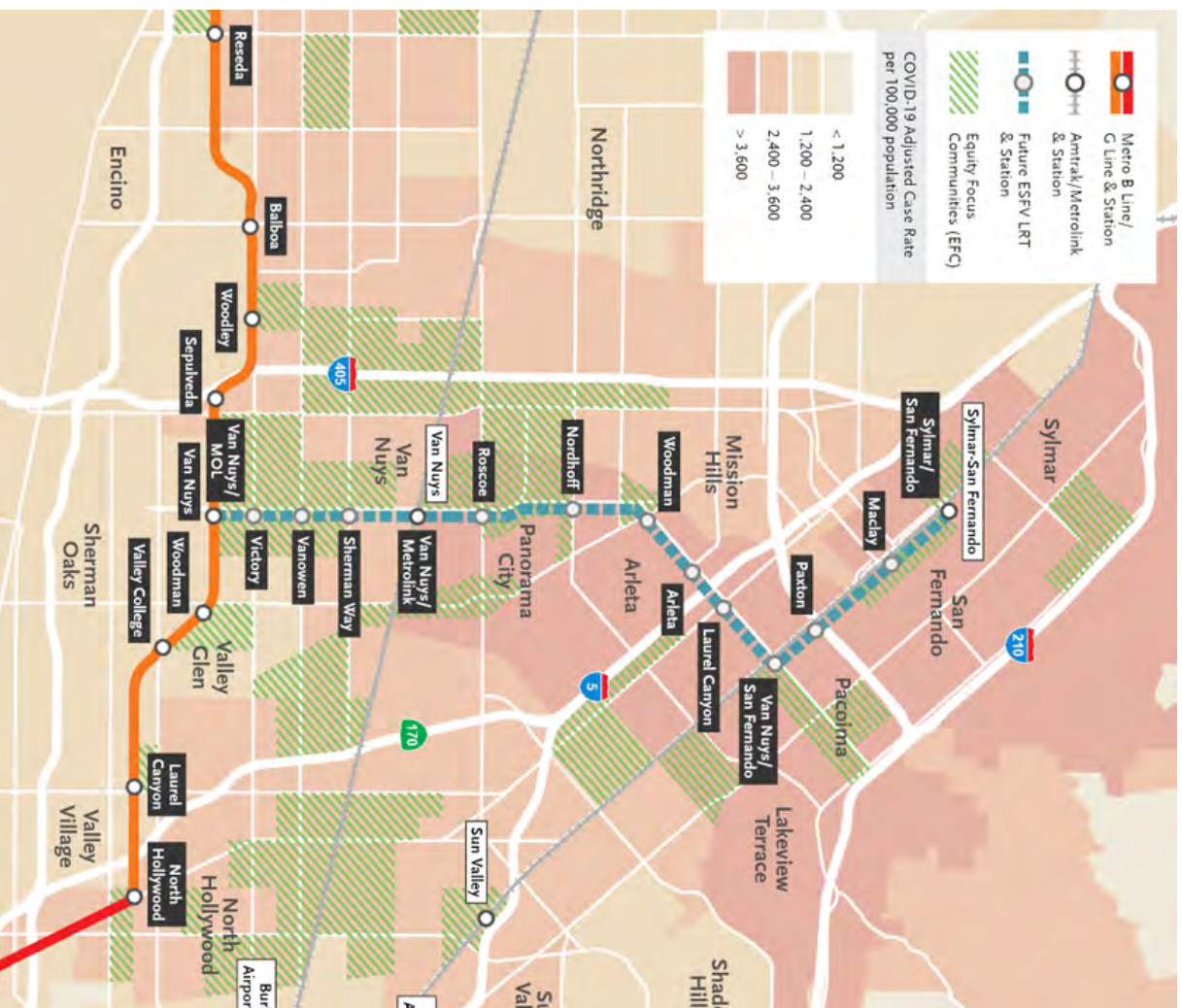
- > 29 alternatives evaluated
  - Narrowed to six alternatives
- > Recommended Van Nuys/SF Rd alignment with one preferred route and three modes

- > Metro G Line (Orange) to Sylmar/SF Metrolink Station (9.2-mi)
- > Up to 400 riders/three-car train set
- > 14 high platform stations
- > Signal prioritization

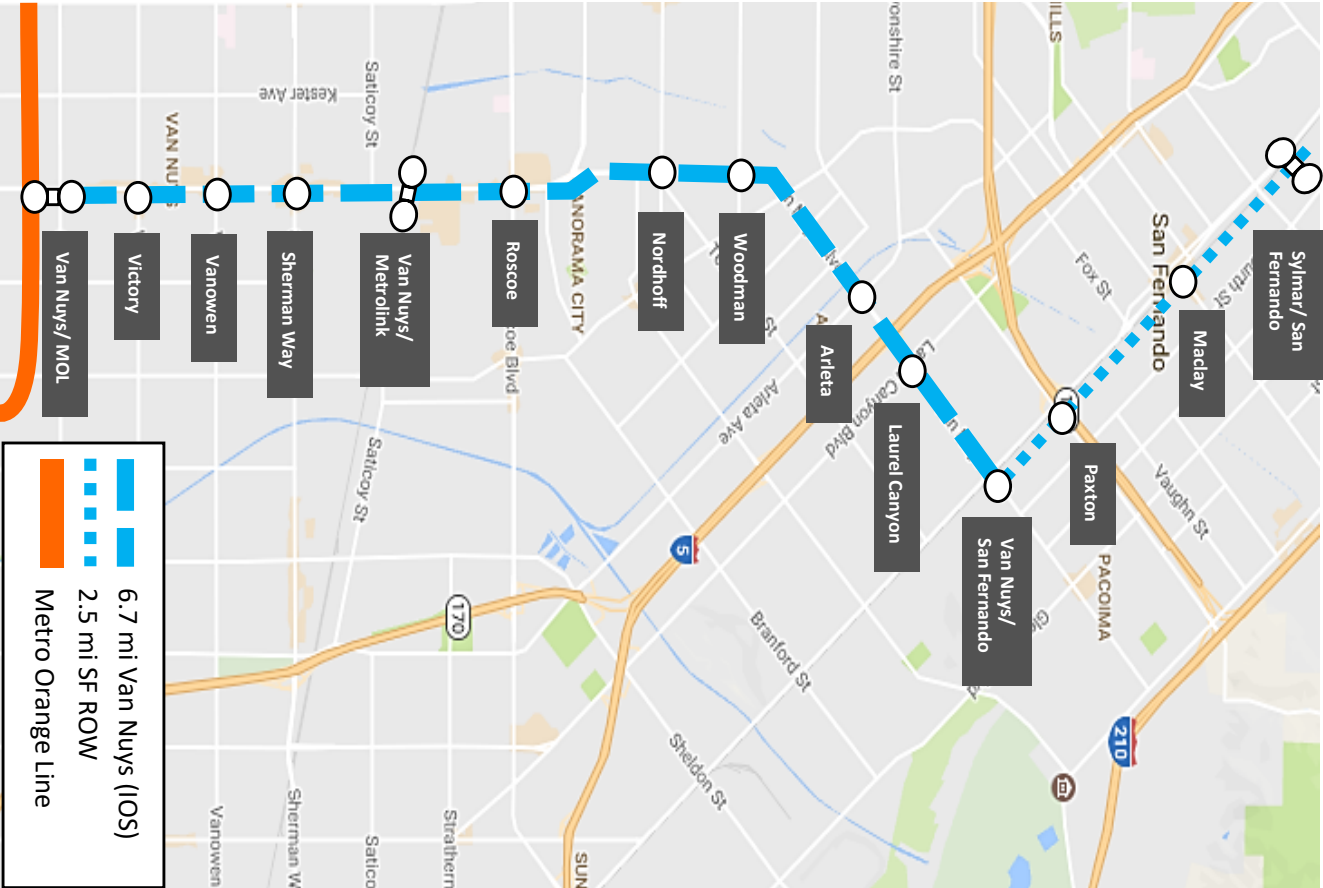


# Equity Focused Communities & COVID in the Study Area

- > 73% Hispanic/Latino residents (24% higher than LA County)
- > 18% of households below poverty level (4% higher than LA County)
- > 35% transit-dependent population
- > 41,000 jobs in the corridor
- > ESFV to expand access to healthcare, employment and educational opportunities



# Project Funding and Acceleration



- > \$1.6B available thru Measure M Expenditure Plan which includes more than \$400M in state SB-1 and STIP funds
- NEPA environmental clearance will make the project eligible for federal recovery funds
- > Updated cost estimates are under development based on 15% and 30% design
- > An Initial Operable Segment (IOS) has been identified in the EIS/EIR from the G Line (Orange) to San Fernando Road if full funding plan not developed by the start of construction
- This is consistent with other Measure M projects

# City of San Fernando Coordination

## Issues identified by the City for further coordination:

- Safety
- Property acquisition
- Traffic
- 3% contribution



# City of San Fernando Coordination

## City coordination and extension of comment period:

- Comment period **extended to November 17**
- Inclusion of IOS in FEIS/FEIR
- Continue coordination with SCRRRA/MetroLink
  - Gating
  - 4<sup>th</sup> track option
  - Further study of potential need for grade separation
- Identify improvements to transit connectivity during IOS to City of San Fernando

# Planning Project Schedule

Public Review Period	October 2, 2020 – <b>November 17, 2020</b>
Community Meetings	October 2020
Planning & Programming Committee	November 18, 2020
Metro Board Meeting for Certification of FEIR and adoption of FLM Plan	December 3, 2020
FTA Record of Decision (ROD)	January 2021

# Program Management Project Schedule

Initiate ROW Acquisition and Utility Relocation Process	Early 2021
Design Build Procurement	2021-2022
Final Design/ Groundbreaking	2022
LRT Testing	2027
Revenue Operations	2028

## **Exhibit 5:**

**Bus Lines 234/734 Metro Local**

**2 Pages**



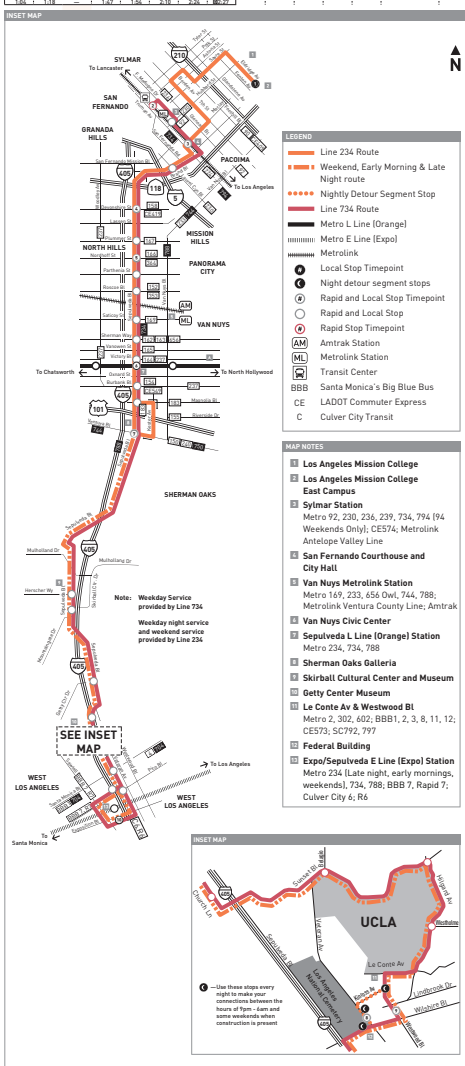
Effective Jul 6 2020

Northbound Al Norte (Approximate Times / Tiempos Aproximados)

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Northbound Al Norte (Approximate Times / Tempos Aproximados)												Southbound Al Sur (Approximate Times / Tempos Aproximados)															
WEST LOS ANGELES	WEST WOOD	SHERMAN OAKS	VAN NUYS	NORTH HILLS	SAN FERNANDO	STEARL	STEARL	FERNALDO	NORTH HILLS	VAN NUYS	SHERMAN OAKS	WEST WOOD	WEST LOS ANGELES	WEST LOS ANGELES	WEST WOOD	SHERMAN OAKS	VAN NUYS	NORTH HILLS	FERNALDO	STEARL	STEARL	FERNALDO	NORTH HILLS	VAN NUYS	SHERMAN OAKS	WEST WOOD	WEST LOS ANGELES
6:14	6:18	6:22	6:26	6:30	6:34	6:38	6:42	6:46	6:50	6:54	6:58	7:02	7:06	7:06	7:10	7:14	7:18	7:22	7:26	7:30	7:34	7:38	7:42	7:46	7:50	7:54	7:58

Northbound Al Norte (Approximate Times / Tempos Aproximados)												Southbound Al Sur (Approximate Times / Tempos Aproximados)															
WEST LOS ANGELES	WEST WOOD	SHERMAN OAKS	VAN NUYS	NORTH HILLS	SAN FERNANDO	STEARL	STEARL	FERNALDO	NORTH HILLS	VAN NUYS	SHERMAN OAKS	WEST WOOD	WEST LOS ANGELES	WEST LOS ANGELES	WEST WOOD	SHERMAN OAKS	VAN NUYS	NORTH HILLS	FERNALDO	STEARL	STEARL	FERNALDO	NORTH HILLS	VAN NUYS	SHERMAN OAKS	WEST WOOD	WEST LOS ANGELES
6:27	6:31	6:35	6:39	6:43	6:47	6:51	6:55	6:59	7:03	7:07	7:11	7:15	7:19	7:19	7:23	7:27	7:31	7:35	7:39	7:43	7:47	7:51	7:55	7:59	8:03	8:07	



## **Exhibit 6:**

# SCAG: Profile of the City of San Fernando

50 Pages



# Profile of the City of San Fernando

Southern California Association of Governments (SCAG) Regional Council includes 69 districts which represent 191 cities and 6 counties in the SCAG region

SCAG Regional Council District 67 includes San Fernando and Santa Clarita  
Represented by: Hon. Marsha McLean



## LOCAL PROFILES REPORT 2019

This profile report was prepared by the Southern California Association of Governments and shared with the City of San Fernando. SCAG provides local governments with a variety of benefits and services including, for example, data and information, GIS training, planning and technical assistance, and sustainability planning grants.

# SCAG REGIONAL COUNCIL DISTRICT 67



Source: 2016 SCAG city boundary data, provided by the county Local Agency Formation Commissions.  
 Service Layer Credits: Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, © OpenStreetMap contributors, and the GIS User Community

Attachment: City of San Fernando Appeal Form and Supporting Documentation (Appeal of the Draft RHNA Allocation for the City of San

## TABLE OF CONTENTS

I. Introduction.....	1
II. Population .....	4
III. Households.....	9
IV. Housing.....	12
V. Transportation.....	18
VI. Active Transportation .....	20
VII. Employment .....	21
VIII. Retail Sales .....	29
IX. Education.....	30
X. Public Health.....	33
XI. SCAG Regional Highlights .....	34
XII. Data Sources.....	35
XIII. Methodology .....	36
XIV. Acknowledgments .....	41

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## I. INTRODUCTION

### **The Southern California Association of Governments**

The Southern California Association of Governments (SCAG) is the largest Metropolitan Planning Organization (MPO) in the nation, with more than 19 million residents. The SCAG region includes six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 incorporated cities. In addition, the SCAG region is a major hub of global economic activity, representing the 16<sup>th</sup> largest economy in the world and is considered the nation's gateway for international trade, with two of the largest ports in the nation. The SCAG region is also the most culturally diverse region in the nation, with no single ethnic group comprising a majority of the population. With a robust, diversified economy and a growing population substantially fueled by international immigration, the SCAG region is poised to continue its role as a primary metropolitan center on the Pacific Rim.

### **SCAG Activities**

As the designated MPO, SCAG is mandated by federal law to research and develop a Regional Transportation Plan (RTP), which incorporates a Sustainable Communities Strategy (SCS) per California state law. Additionally, SCAG is pursuing a variety of innovative planning and policy initiatives to foster a more sustainable Southern California. In addition to conducting the formal planning activities required of an MPO, SCAG provides local governments with a wide variety of benefits and services including, for example, data and information, GIS training, planning and technical assistance, and support for sustainability planning grants.

### **The Local Profiles**

In 2008, SCAG initiated the Local Profiles project as a part of a larger initiative to provide a variety of new services to its member cities and counties. Through extensive input from member jurisdictions, the inaugural Local Profiles Reports were released at the SCAG General Assembly in May 2009. The Local Profiles have since been updated every two years.

The Local Profiles reports provide a variety of demographic, economic, education, housing, and transportation information about each member jurisdiction including, but not limited to, the following:

- How much growth in population has taken place since 2000?
- Has the local jurisdiction been growing faster or slower than the county or regional average?
- Have there been more or fewer school-age children?
- Have homeownership rates been increasing or decreasing?
- How and where do residents travel to work?
- How has the local economy been changing in terms of employment share by sector?

Answers to questions such as these provide a snapshot of the dynamic changes affecting each local jurisdiction.



The purpose of this report is to provide current information and data for the City of San Fernando for planning and outreach efforts. Information on population, housing, transportation, employment, retail sales, and education can be utilized by the city to make well informed planning decisions. The report provides a portrait of the city and its changes since 2000, using average figures for Los Angeles County as a comparative baseline. In addition, the most current data available for the region is also included in the Statistical Summary (page 3). This profile report illustrates current trends occurring in the City of San Fernando.

### **Factors Affecting Local Changes Reflected in the 2019 Report**

Overall, member jurisdictions since 2000 have been impacted by a variety of factors at the national, regional, and local levels. For example, the vast majority of member jurisdictions included in the 2019 Local Profiles reflect national demographic trends toward an older and more diverse population. Evidence of continued economic growth is also apparent through increases in employment, retail sales, building permits, and home prices. Work destinations and commute times tend to correlate with local and regional development patterns and the location of local jurisdictions, particularly in relation to the regional transportation system.

### **Uses of the Local Profiles**

Following release at the SCAG General Assembly, the Local Profiles are posted on the SCAG website and are used for a variety of purposes including, but not limited to, the following:

- As a data and communication resource for elected officials, businesses, and residents
- Community planning and outreach
- Economic development
- Visioning initiatives
- Grant application support
- Performance monitoring

The primary user groups of the Local Profiles include member jurisdictions and state and federal legislative delegates of Southern California. This report is a SCAG member benefit and the use of the data contained within this report is voluntary.

### **Report Organization**

This report includes three sections. The first section presents a 'Statistical Summary' for the City of San Fernando. The second section provides detailed information organized by subject area and includes brief highlights of some of the trends identified by that information. The third section, 'Methodology', describes technical considerations related to data definitions, measurement, and sources.

### 2018 STATISTICAL SUMMARY

<i>Category</i>	<i>San Fernando</i>	<i>Los Angeles County</i>	<i>San Fernando Relative to Los Angeles County*</i>	<i>SCAG Region</i>
<b>2018 Total Population</b>	24,602	10,283,729	[0.2%]	19,145,421
<b>2018 Population Density (Persons per Square Mile)</b>	10,381	2,518	7,862	494
<b>2018 Median Age (Years)</b>	33.3	36.0	-2.7	35.8
<b>2018 Hispanic</b>	92.4%	48.4%	44.0%	46.5%
<b>2018 Non-Hispanic White</b>	4.4%	26.5%	-22.1%	31.4%
<b>2018 Non-Hispanic Asian</b>	1.1%	14.3%	-13.2%	12.8%
<b>2018 Non-Hispanic Black</b>	1.4%	7.9%	-6.5%	6.3%
<b>2018 Non-Hispanic American Indian or Alaska Native</b>	0.4%	0.2%	0.2%	0.2%
<b>2018 All Other Non-Hispanic</b>	0.3%	2.7%	-2.4%	2.8%
<b>2018 Number of Households</b>	6,098	3,338,658	[0.2%]	6,132,938
<b>2018 Average Household Size</b>	4.0	3.0	1.0	3.1
<b>2018 Median Household Income</b>	\$54,298	\$61,015	-\$6,717	\$64,989
<b>2018 Number of Housing Units</b>	6,436	3,546,863	[0.2%]	6,629,879
<b>2018 Homeownership Rate</b>	54.1%	52.4%	1.7%	52.4%
<b>2018 Median Existing Home Sales Price</b>	\$465,000	\$597,500	-\$132,500	\$561,000
<b>2017 - 2018 Median Home Sales Price Change</b>	8.7%	6.7%	2.0%	6.5%
<b>2018 Drive Alone to Work</b>	74.6%	73.7%	0.9%	75.8%
<b>2018 Mean Travel Time to Work (minutes)</b>	29.4	30.9	-1.5	30.2
<b>2017 Number of Jobs</b>	11,496	4,767,204	[0.2%]	8,465,304
<b>2016 - 2017 Total Jobs Change</b>	50	23,801	[0.2%]	76,197
<b>2017 Average Salary per Job</b>	\$45,156	\$66,037	-\$20,881	\$60,956
<b>2018 K-12 Public School Student Enrollment</b>	5,761	1,482,258	[0.4%]	2,975,283

Sources: U.S. Census American Community Survey, 2017; Nielsen Co.; California Department of Finance E-5, May 2018; CoreLogic/DataQuick; California Department of Education; and SCAG

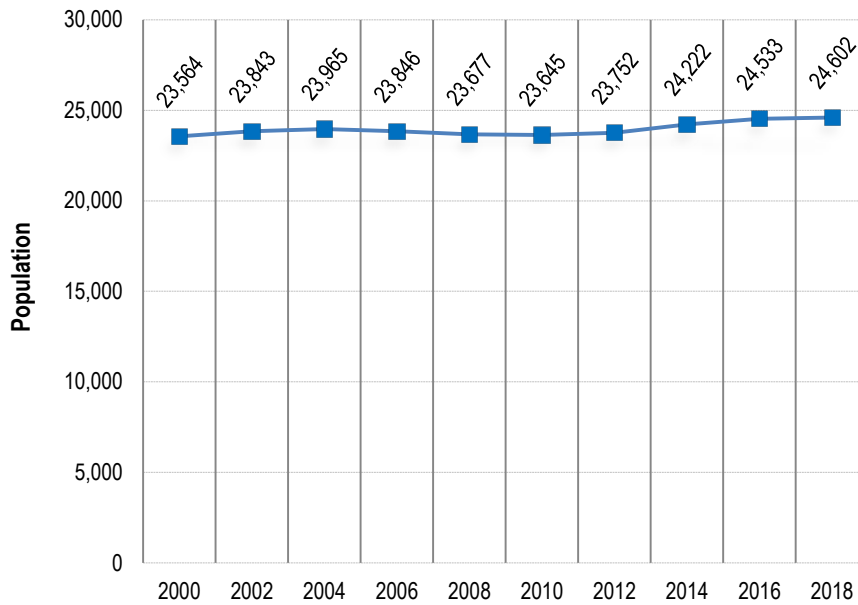
\* Numbers with [ ] represent San Fernando’s share of Los Angeles County. The unbracketed numbers represent the difference between San Fernando and Los Angeles County.

Mapped jurisdictional boundaries are as of July 1, 2016 and are for visual purposes only. Report data, however, are updated according to their respective sources.

## II. POPULATION

### Population Growth

#### Population: 2000 - 2018

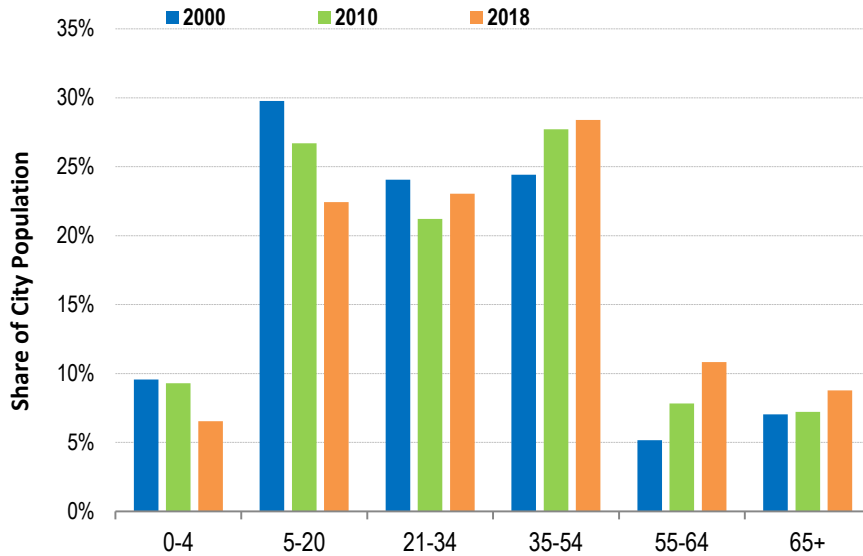


Source: California Department of Finance, E-5, 2000-2018

- Between 2000 and 2018, the total population of the City of San Fernando increased by 1,038 to 24,602.
- During this 18-year period, the city’s population growth rate of 4.4 percent was lower than the Los Angeles County rate of 8 percent.
- 0.2 percent of the total population of Los Angeles County is in the City of San Fernando.
- Population values for 2000 and 2010 are from the U.S. Decennial Census.
- Values for other years are estimates by the California Department of Finance.

### Population by Age Range

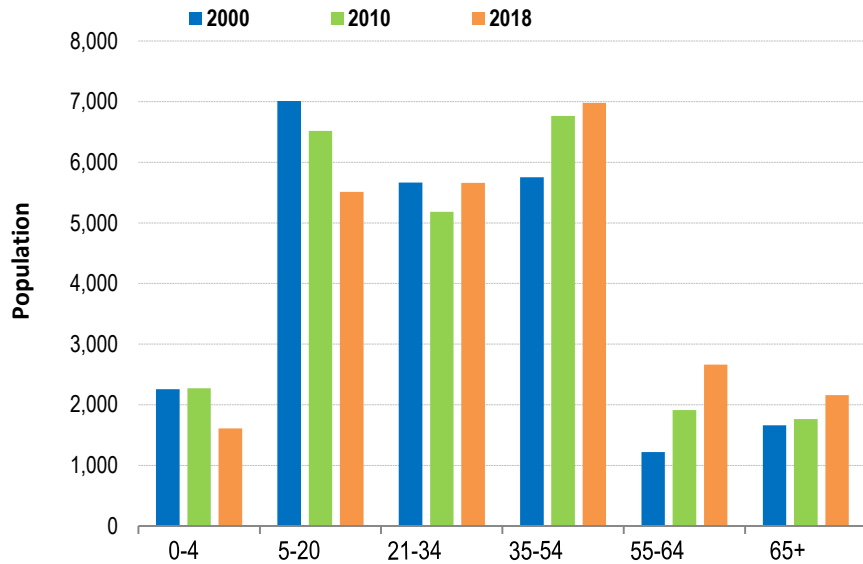
Population Share by Age: 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the 55-64 age group experienced the largest increase in share, growing from 5.2 to 10.8 percent.
- The age group that experienced the greatest decline in share was 5-20, decreasing from 29.8 to 22.4 percent.

Population by Age: 2000, 2010, and 2018

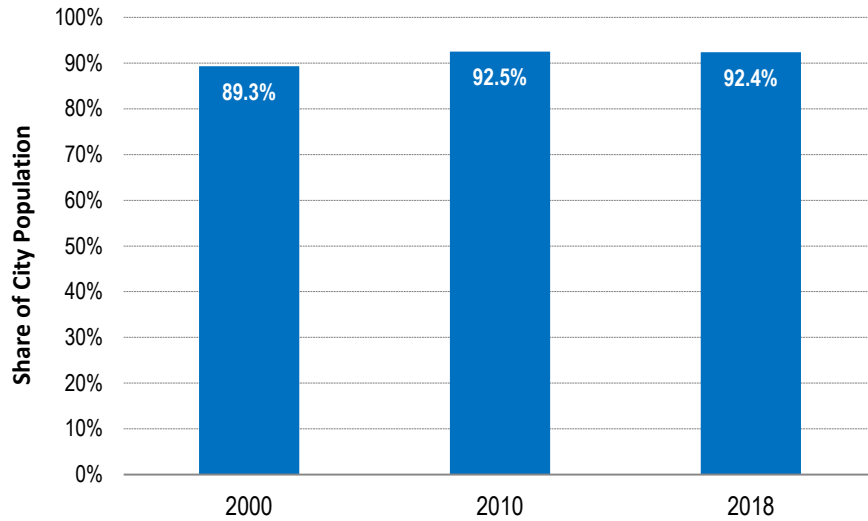


Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- The 55-64 age group added the most population, with an increase of 1,442 people between 2000 and 2018.

### Population by Race/Ethnicity

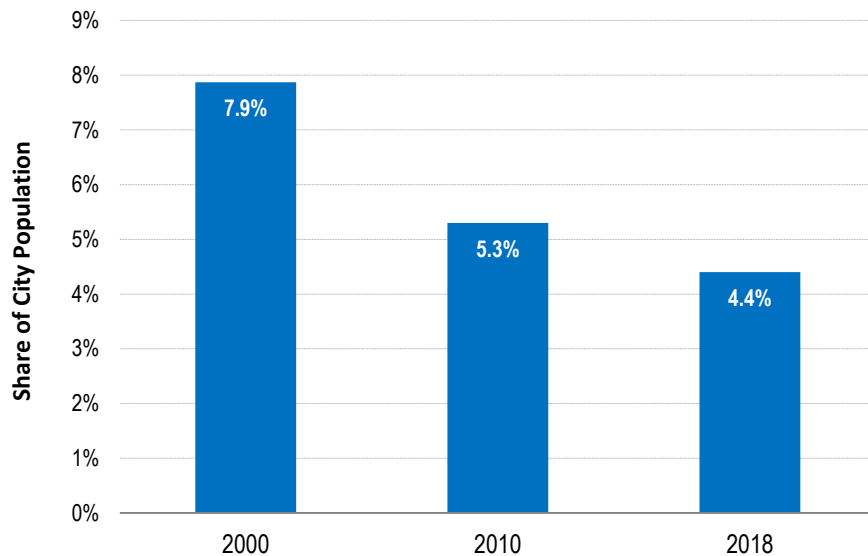
#### Hispanic or Latino of Any Race: 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the share of Hispanic population in the city increased from 89.3 percent to 92.4 percent.

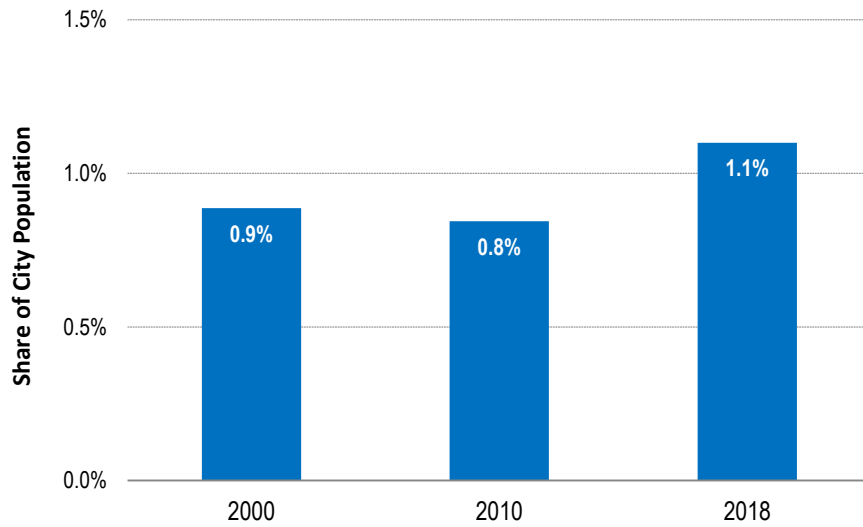
#### Non-Hispanic White: 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the share of Non-Hispanic White population in the city decreased from 7.9 percent to 4.4 percent.
- Please refer to the Methodology section for definitions of the racial/ethnic categories.

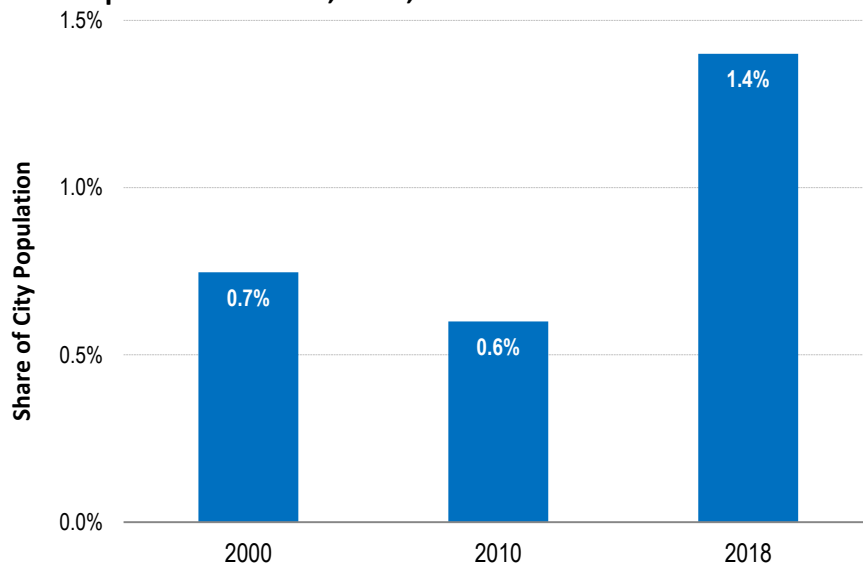
### Non-Hispanic Asian: 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the share of Non-Hispanic Asian population in the city increased from 0.9 percent to 1.1 percent.

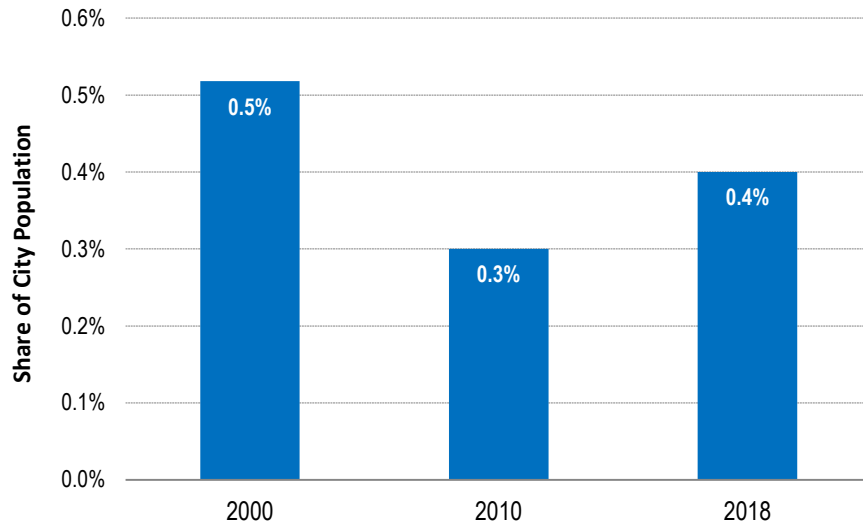
### Non-Hispanic Black: 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the share of Non-Hispanic Black population in the city increased from 0.7 percent to 1.4 percent.

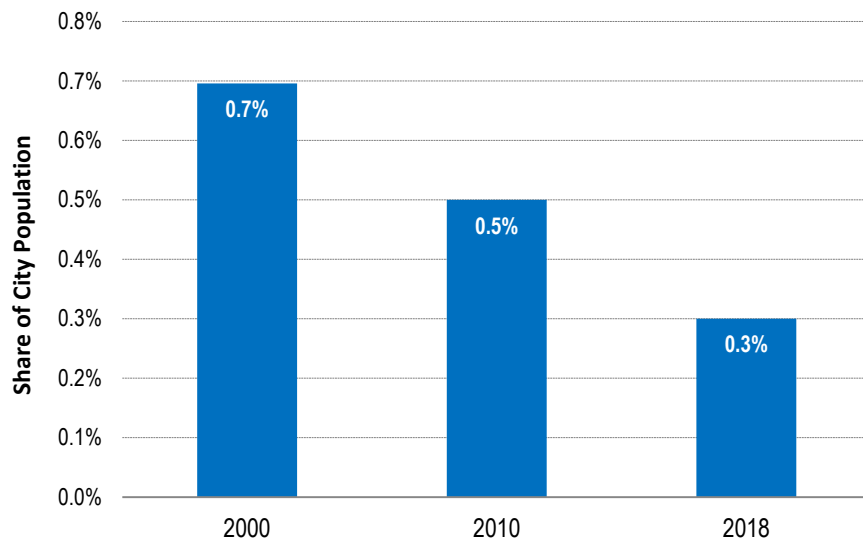
### Non-Hispanic American Indian or Alaska Native: 2000, 2010, & 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the share of Non-Hispanic American Indian or Alaska Native population in the city decreased from 0.5 percent to 0.4 percent.

### All Other Non-Hispanic: 2000, 2010, and 2018



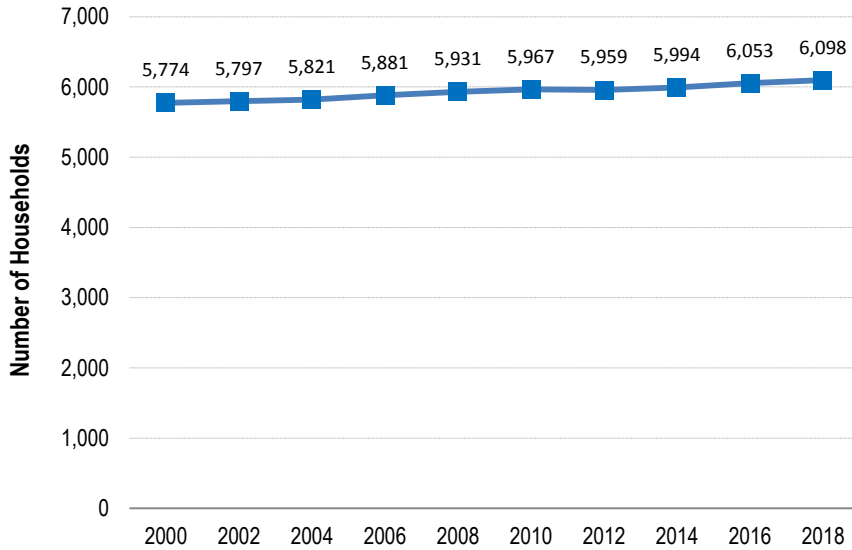
Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the share of All Other Non-Hispanic population group in the city decreased from 0.7 percent to 0.3 percent.

### III. HOUSEHOLDS

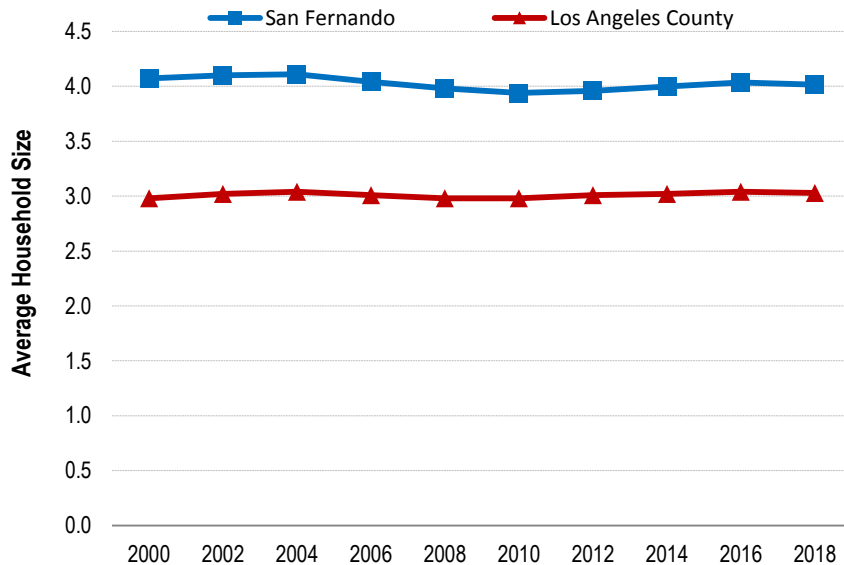
#### Number of Households (Occupied Housing Units)

Number of Households: 2000 - 2018



Sources: California Department of Finance, E-5, 2000-2018

Average Household Size: 2000 - 2018



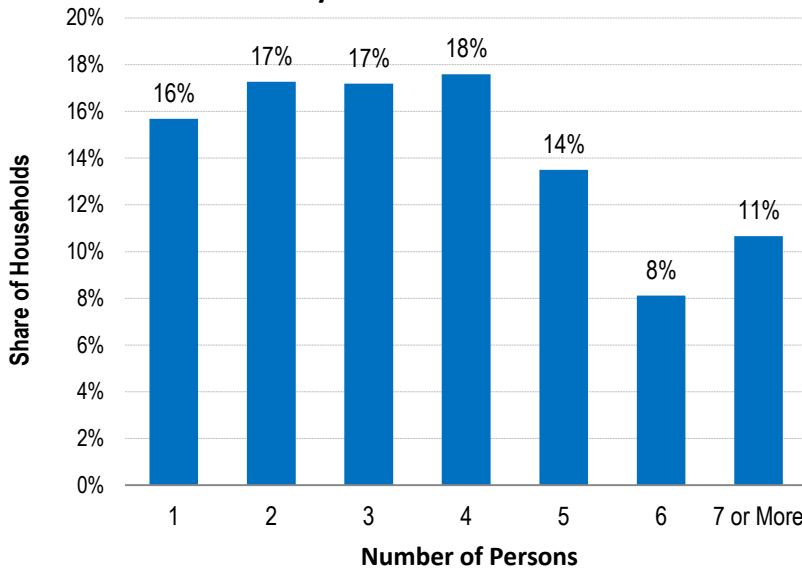
Source: California Department of Finance, E-5, 2000-2018

- Between 2000 and 2018, the total number of households in the City of San Fernando increased by 324 units, or 5.6 percent.
- During this 18-year period, the city's household growth rate of 5.6 percent was lower than the county growth rate of 6.5 percent.
- 0.2 percent of Los Angeles County's total number of households are in the City of San Fernando.
- In 2018, the city's average household size was 4.0, higher than the county average of 3.0.



### Households by Size

**Percent of Households by Household Size: 2018**

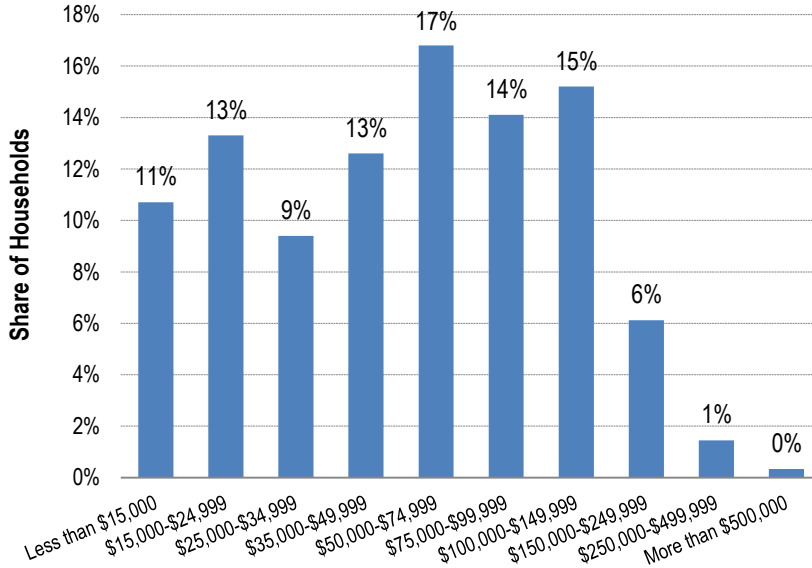


Source: U.S. Census American Community Survey, 2017; Nielsen Co.

- In 2018, 50.1 percent of all city households had 3 people or fewer.
- About 16 percent of the households were single-person households.
- Approximately 33 percent of all households in the city had 5 people or more.

### Households by Income

**Percent of Households by Household Income: 2018**

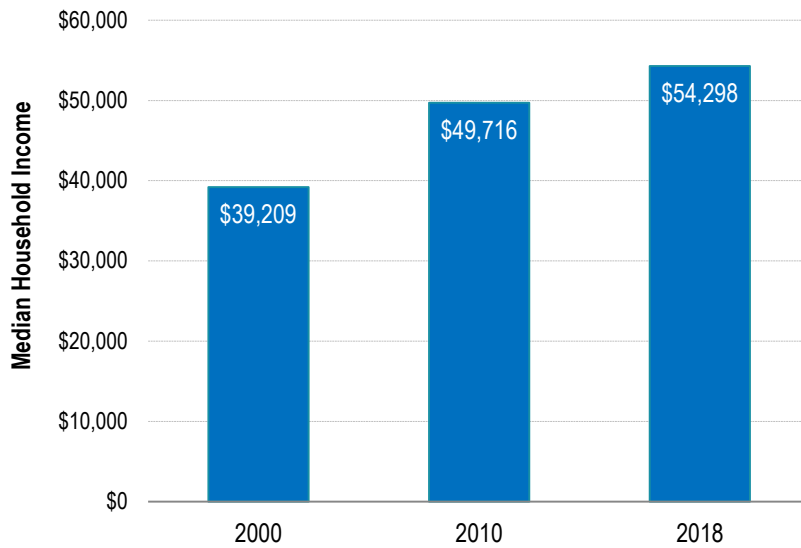


Source: U.S. Census American Community Survey, 2017; Nielsen Co.

- In 2018, about 46 percent of households earned less than \$50,000 annually.
- Approximately 23 percent of households earned \$100,000 or more.

## Household Income

### Median Household Income: 2000, 2010, and 2018

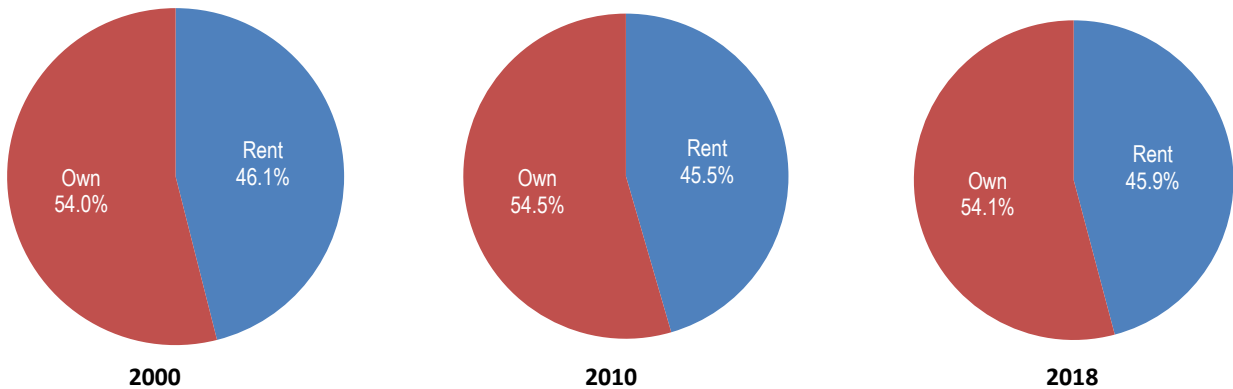


- From 2000 to 2018, median household income increased by \$15,089.
- Note: Dollars are not adjusted for annual inflation.

Source: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

## Renters and Homeowners

### Percentage of Renters and Homeowners: 2000, 2010, and 2018



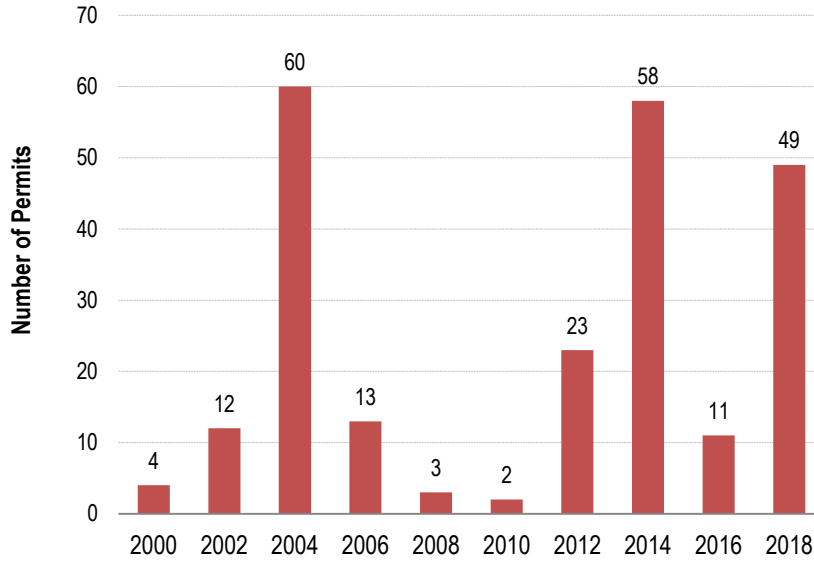
Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, homeownership rates increased and the share of renters decreased.

## IV. HOUSING

### Total Housing Production

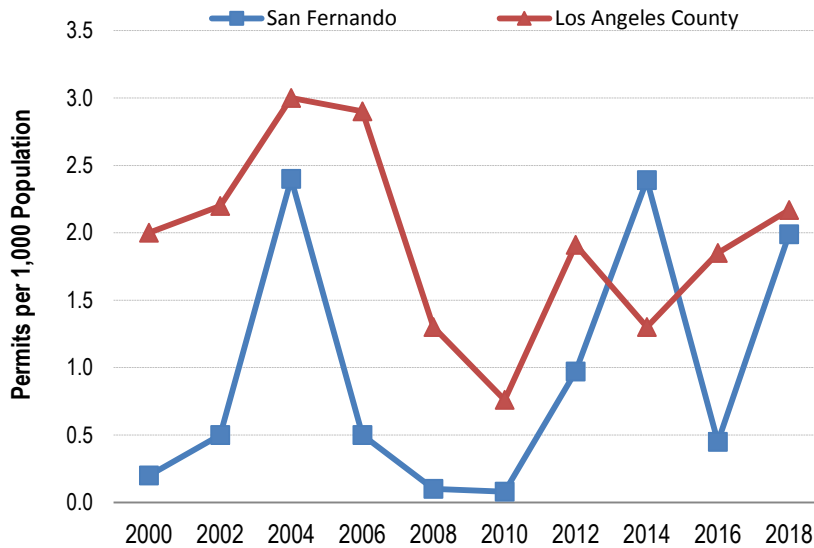
#### Total Residential Units Permitted: 2000 - 2018



Source: Construction Industry Research Board, 2000 - 2018

- In 2018, permits were issued for 49 residential units.

#### Total Residential Units Permitted per 1,000 Residents: 2000 - 2018

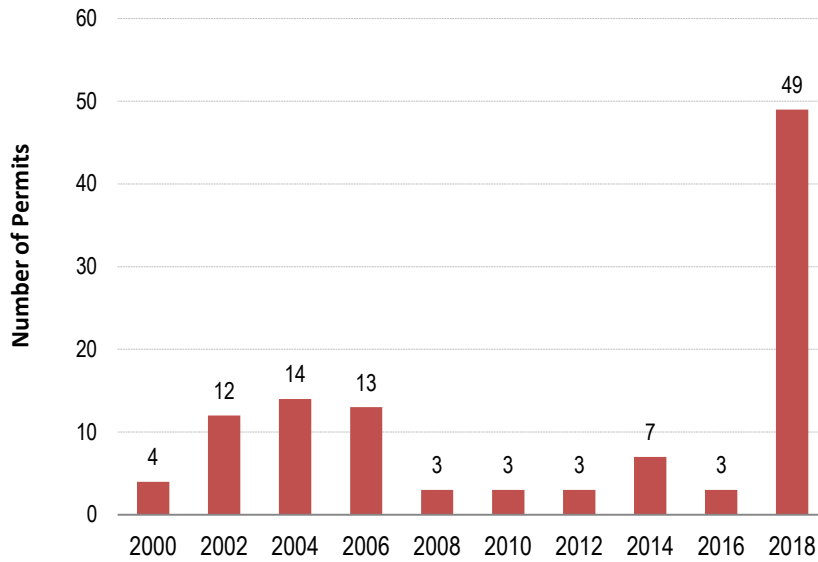


Source: Construction Industry Research Board, 2000-2018

- In 2000, the City of San Fernando had 0.2 permits per 1,000 residents compared to the overall county figure of 2 permits per 1,000 residents.
- For the city in 2018, the number of permits per 1,000 residents increased to 2 permits. For the county overall, it increased to 2.2 permits per 1,000 residents.

### Single-Family Housing Production

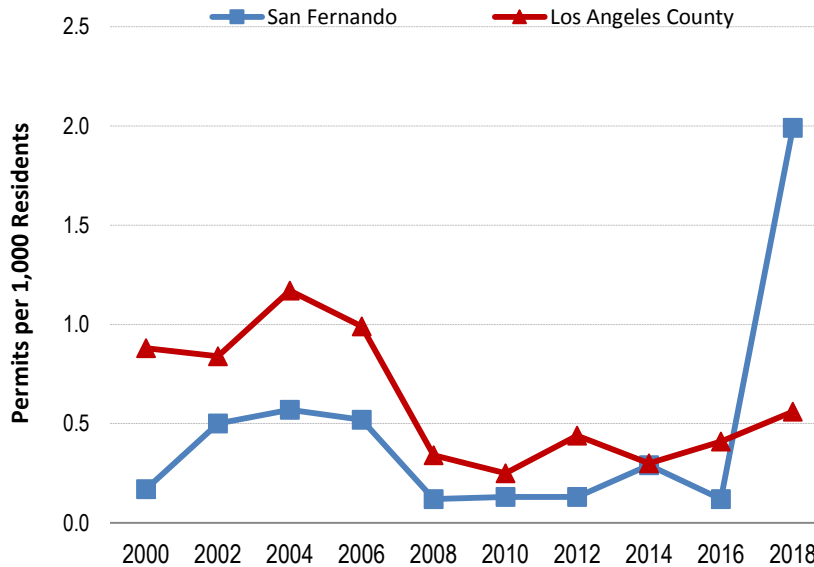
#### Single-Family Units Permitted: 2000 - 2018



Source: Construction Industry Research Board, 2000 - 2018

- In 2018, permits were issued for 49 single family homes.

#### Single-Family Units Permitted per 1,000 Residents: 2000 - 2018

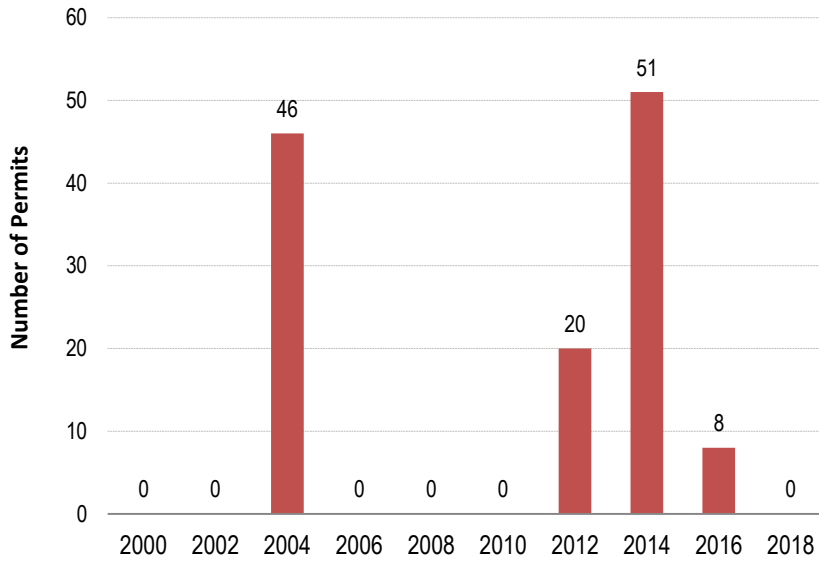


Source: Construction Industry Research Board, 2000-2018

- In 2000, the City of San Fernando issued 0.2 permits per 1,000 residents compared to the overall county figure of 0.9 permits per 1,000 residents.
- For the city in 2018, the number of permits issued per 1,000 residents increased to 2 permits. For the county overall, it decreased to 0.6 permits per 1,000 residents.

### Multi-Family Housing Production

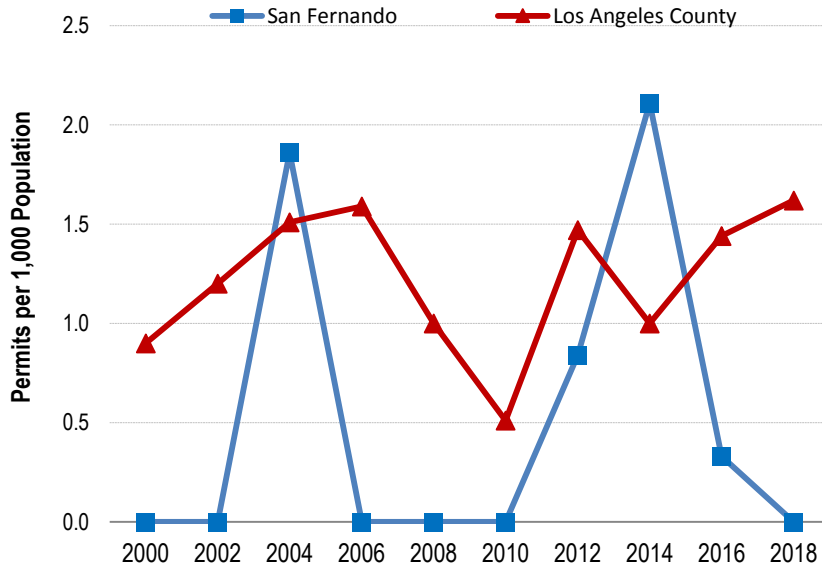
#### Multi-Family Units Permitted: 2000 - 2018



Source: Construction Industry Research Board, 2000-2018

- In 2018, no permits were issued for multi-family residential units.

#### Multi-Family Units Permitted per 1,000 Residents: 2000 - 2018

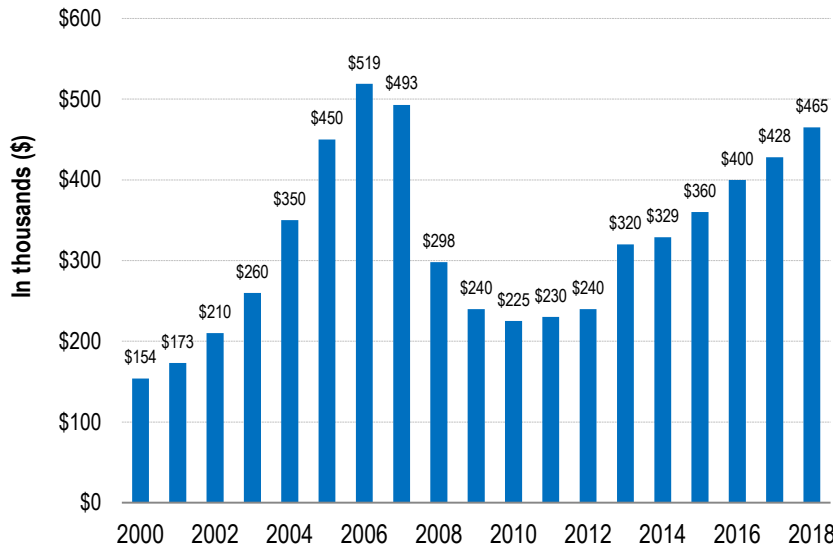


Source: Construction Industry Research Board, 2000-2018

- For the city in 2018, the number of permits per 1,000 residents remained at 0 permits. For the county overall, it increased to 1.6 permits per 1,000 residents.

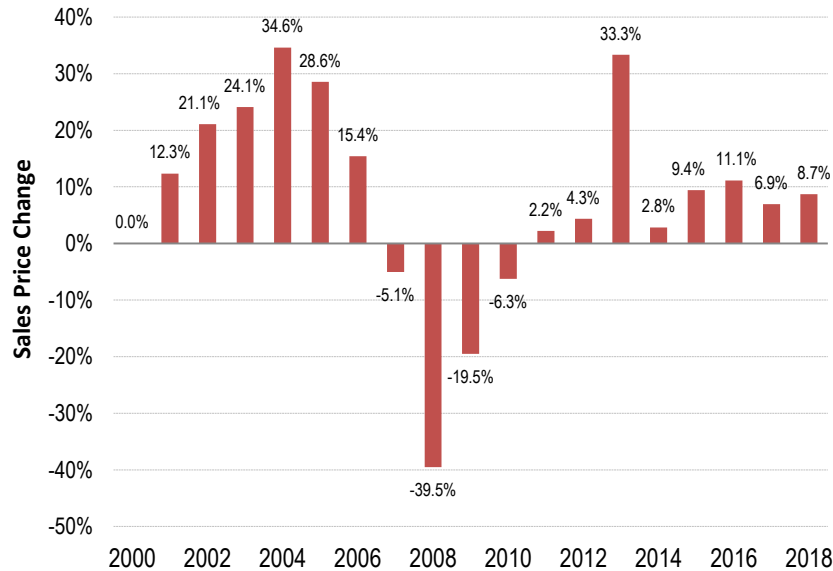
### Home Sales Prices

#### Median Home Sales Price for Existing Homes: 2000 - 2018



Source: CoreLogic/DataQuick, 2000-2018

#### Annual Median Home Sales Price Change for Existing Homes: 2000 - 2018



Source: CoreLogic/DataQuick, 2000-2018

- Between 2000 and 2018, the median home sales price of existing homes increased 202 percent from \$154,000 to \$465,000.
- Median home sales price increased by 107 percent between 2010 and 2018.
- In 2018, the median home sales price in the city was \$465,000, \$132,500 lower than that in the county overall.
- Note: Median home sales price reflects resale of existing homes, which varies due to type of units sold.
- Annual median home sales prices are not adjusted for inflation.

## HOUSING TYPE

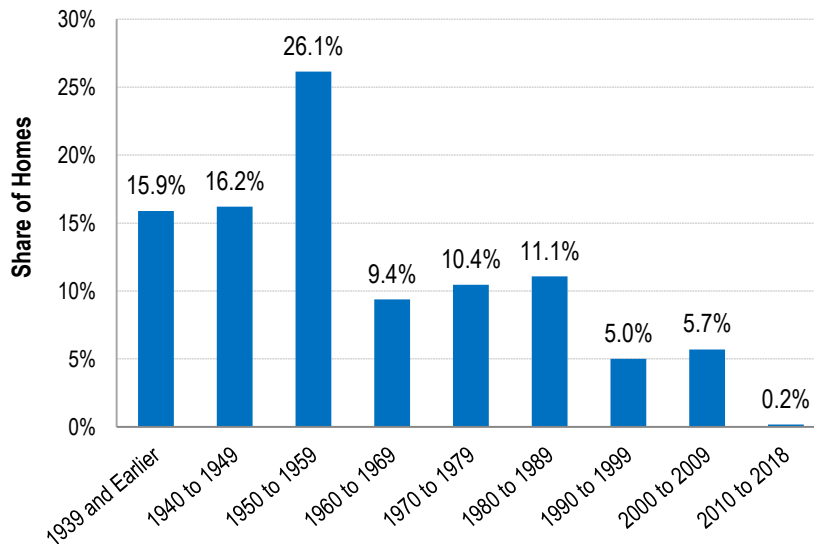
### Housing Type by Units: 2018

Housing Type	Number of Units	Percent of Total Units
Single Family Detached	4,607	71.6 %
Single Family Attached	464	7.2 %
Multi-family: 2 to 4 units	475	7.4 %
Multi-family: 5 units plus	769	11.9 %
Mobile Home	121	1.9 %
<b>Total</b>	<b>6,436</b>	<b>100.0 %</b>

Source: California Department of Finance, E-5, 2018

- The most common housing type is Single Family Detached.
- 78.8 percent are single family homes and 19.3 percent are multi-family homes.

### Age of Housing Stock

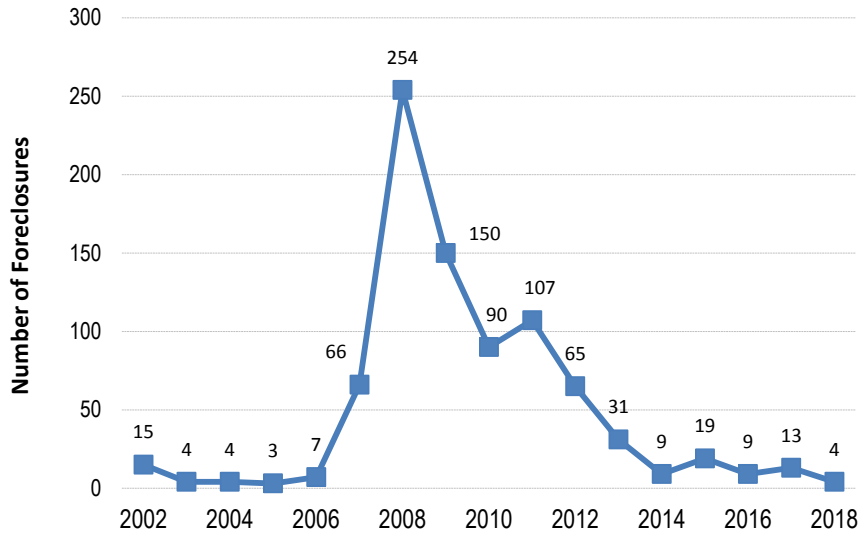


Source: U.S. Census American Community Survey, 2017; Nielsen Co.

- 67.6 percent of the housing stock was built before 1970.
- 32.4 percent of the housing stock was built after 1970.

### Foreclosures

Number of Foreclosures: 2002 - 2018

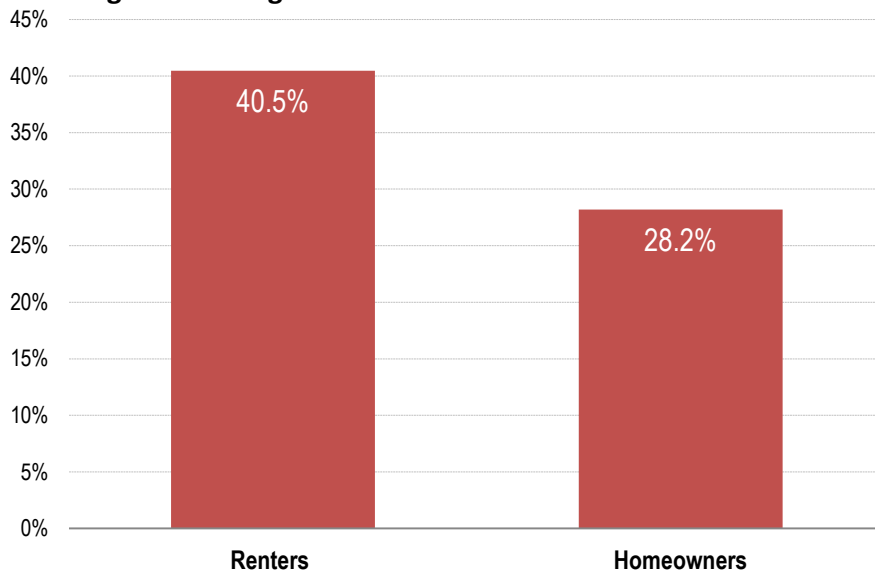


- There were 4 foreclosures in 2018.
- Between 2007 and 2018, there were 817 foreclosures.

Source: CoreLogic/DataQuick, 2002-2018

### Housing Cost Share

Percentage of Housing Cost for Renters and Homeowners: 2017



- Housing costs accounted for an average of 40.5 percent of total household income for renters.
- Housing costs accounted for an average of 28.2 percent of total household income for homeowners.

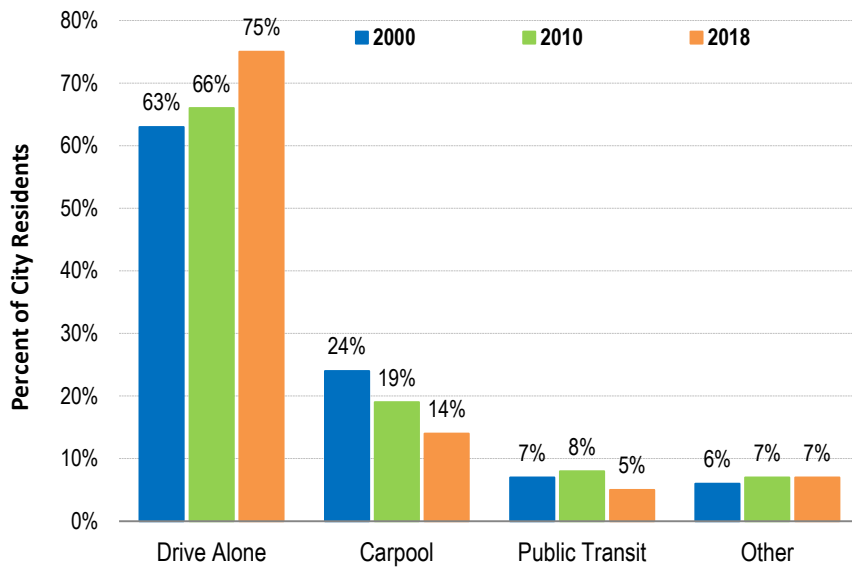
Source: U.S. Census American Community Survey, 2017



## V. TRANSPORTATION

### Journey to Work for Residents

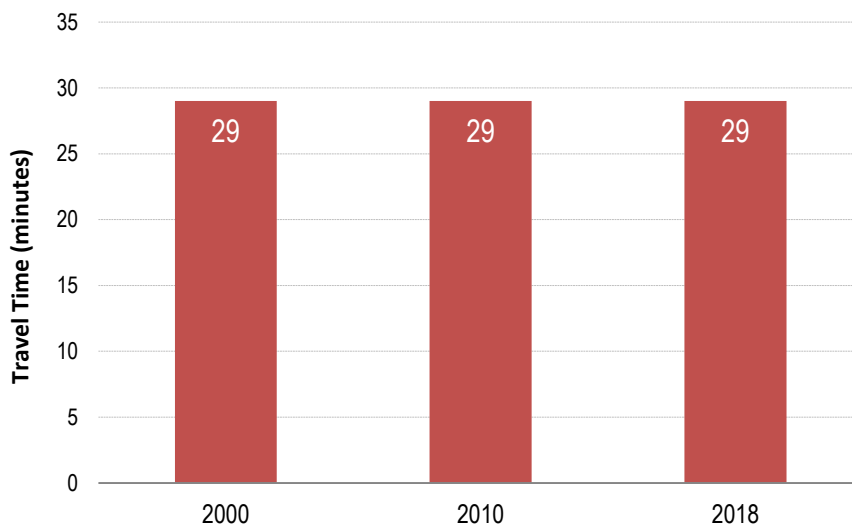
Transportation Mode Choice: 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the greatest change occurred in the percentage of individuals who traveled to work by driving; this share increased by 11.6 percentage points.
- ‘Other’ refers to bicycle, pedestrian, and home-based employment.

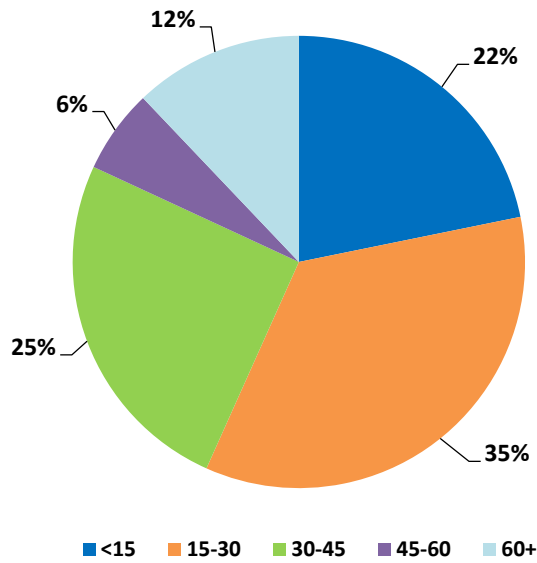
Average Travel Time (minutes): 2000, 2010, and 2018



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- Between 2000 and 2018, the average travel time to work remained the same.

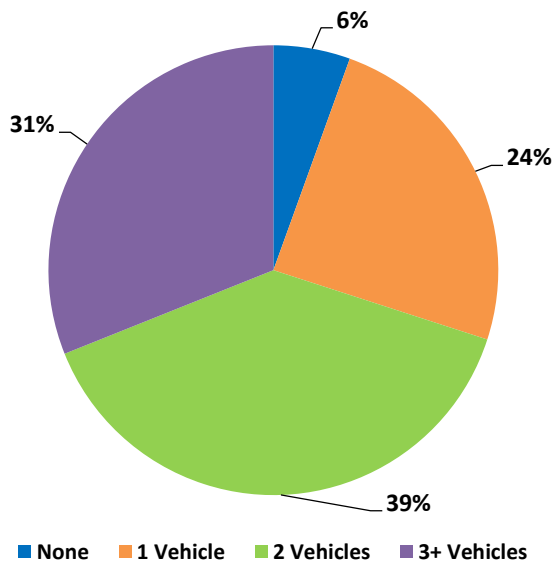
**Travel Time to Work (Range of Minutes): 2018**



Source: U.S. Census American Community Survey, 2017; Nielsen Co.

- In 2018, 43.3 percent of San Fernando commuters spent more than 30 minutes to travel to work.
- Travel time to work figures reflect average one-way commute travel times, not round trip.

**Household Vehicle Ownership: 2018**



Source: U.S. Census American Community Survey, 2017; Nielsen Co.

- 30 percent of San Fernando households own one or no vehicles, while 70 percent of households own two or more vehicles.

## VI. ACTIVE TRANSPORTATION

Over the course of the next 25 years, population growth and demographic shifts will continue to transform the character of the SCAG region and the demands placed on it for livability, mobility, and overall quality of life. Our future will be shaped by our response to this growth and the demands it places on our systems.

SCAG is responding to these challenges by embracing sustainable mobility options, including support for enhanced active transportation infrastructure. Providing appropriate facilities to help make walking and biking more attractive and safe transportation options will serve our region through reduction of traffic congestion, decreased greenhouse gas emissions, improved public health, and enhanced communities.

For the 2017 Local Profiles, SCAG began providing information on the active transportation resources being implemented throughout our region. The 2019 Local Profiles continues the active transportation element with a compilation of bicycle lane mileage by facility type at the county level. This data, provided by our County Transportation Commissions for the years 2012 and 2016, provides a baseline to measure regional progress in the development of active transportation resources over time.

The Local Profiles reports will seek to provide additional active transportation data resources as they become available at the local jurisdictional level. Information on rates of physical activity (walking) is available in the Public Health section of this report.

### Bike Lane Mileage by Class: 2012-2016

County	Class 1		Class 2		Class 3		Class 4		Total Lane Miles		
	2012	2016	2012	2016	2012	2016	2012	2016	2012	2016	Change
Imperial	3	3	4	4	82	82	0	0	89	89	0.0%
Los Angeles	302	343	659	1,054	519	609	2	7	1,482	2,013	35.8%
Orange	259	264	706	768	87	103	0	0	1,052	1,135	7.9%
Riverside	44	44	248	248	129	129	0	0	421	421	0.0%
San Bernardino	77	96	276	293	150	107	0	0	503	496	-1.4%
Ventura	61	76	257	333	54	77	0	0	372	486	30.6%
<b>SCAG Region</b>	<b>746</b>	<b>826</b>	<b>2,150</b>	<b>2,700</b>	<b>1,021</b>	<b>1,107</b>	<b>2</b>	<b>7</b>	<b>3,919</b>	<b>4,640</b>	<b>18.4%</b>

Source: County Transportation Commissions: 2012, 2016

**Class 1 (Bike Path):** Separated off-road path for the exclusive use of bicycles and pedestrians.

**Class 2 (Bike Lane):** Striped on-road lane for bike travel along a roadway.

**Class 3 (Bike Route):** Roadway dedicated for shared use by pedestrians, bicyclists, and motor vehicles.

**Class 4 (Protected Bike Lane):** Lane separated from motor vehicle traffic by more than striping (grade separation or barrier).

## VII. EMPLOYMENT

### Employment Centers

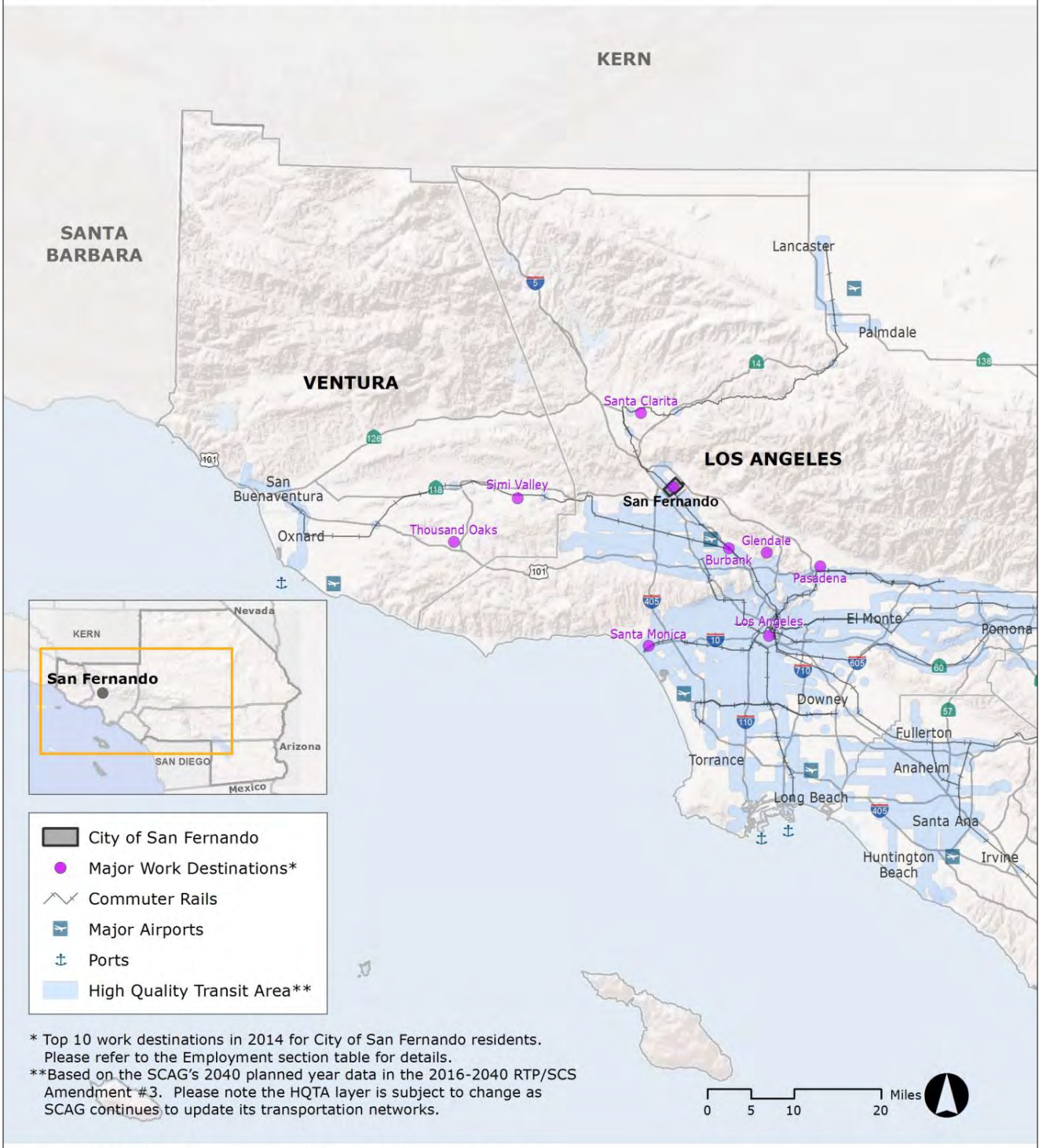
#### Top 10 Places Where San Fernando Residents Commute to Work: 2016

Local Jurisdiction		Number of Commuters	Percent of Total Commuters
1.	Los Angeles	4,752	54.0 %
2.	San Fernando	667	7.6 %
3.	Santa Clarita	393	4.5 %
4.	Burbank	350	4.0 %
5.	Glendale	155	1.8 %
6.	Simi Valley	136	1.5 %
7.	Thousand Oaks	80	0.9 %
8.	San Diego County	77	0.9 %
9.	Santa Monica	71	0.8 %
10.	Pasadena	64	0.7 %
All Other Destinations		2,050	23.3 %

Source: U.S. Census Bureau, 2017, LODES Data; Longitudinal-Employer Household Dynamics Program: <https://lehd.ces.census.gov/data/lodes/>

- This table identifies the top 10 locations where residents from the City of San Fernando commute to work.
- 7.6% work and live in San Fernando, while 92.4% commute to other places.

### MAJOR WORK DESTINATIONS



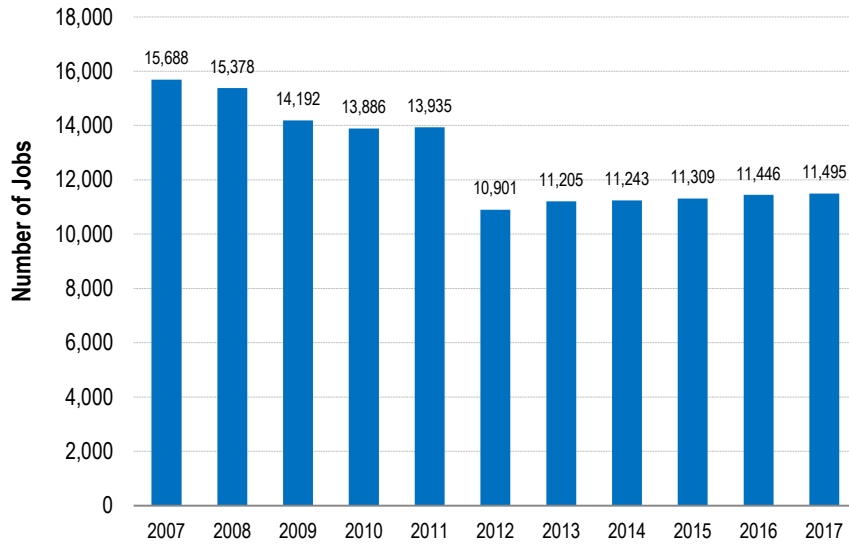
\* Top 10 work destinations in 2014 for City of San Fernando residents. Please refer to the Employment section table for details.  
 \*\*Based on the SCAG's 2040 planned year data in the 2016-2040 RTP/SCS Amendment #3. Please note the HQTAs are subject to change as SCAG continues to update its transportation networks.

Source: SCAG, U.S. Census Bureau, 2019, LODES Dataset Version 7.3



## Total Jobs

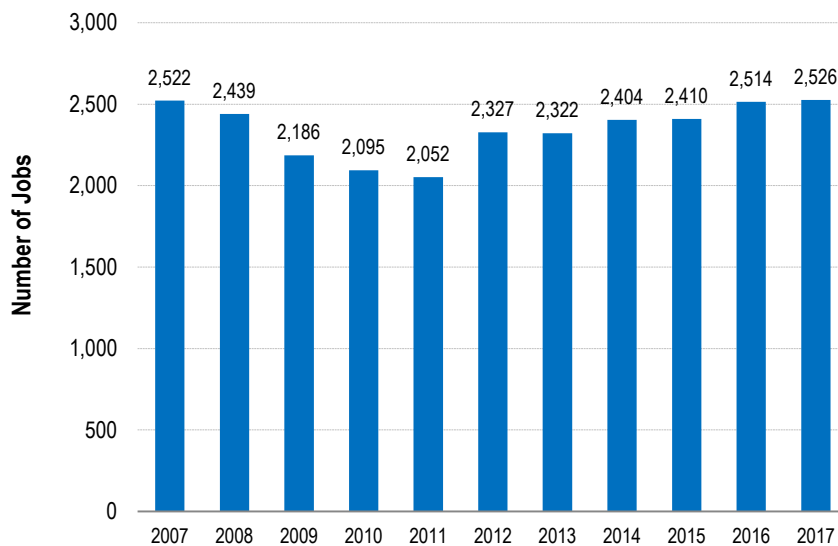
### Total Jobs: 2007 - 2017



Sources: California Employment Development Department, 2007 - 2017; InfoGroup; & SCAG

## Jobs by Sector

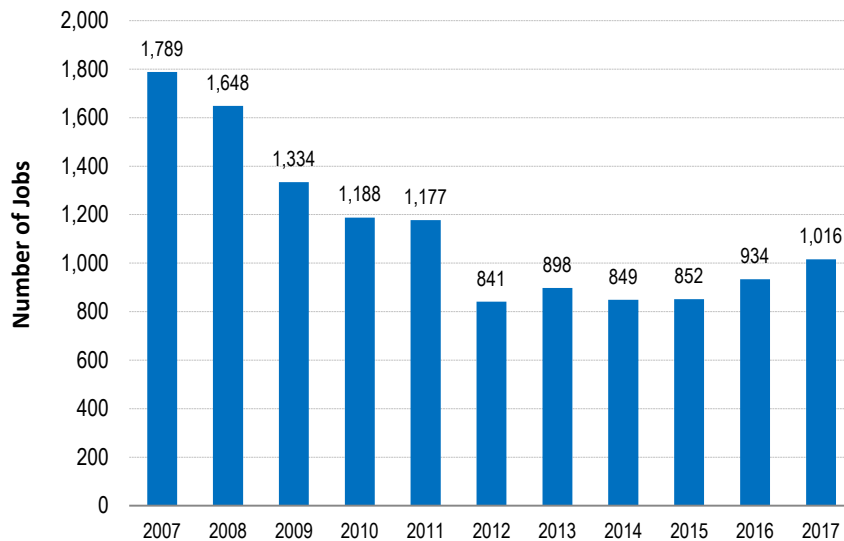
### Jobs in Manufacturing: 2007 - 2017



Sources: California Employment Development Department, 2007 - 2017; InfoGroup; & SCAG

- Total jobs include wage and salary jobs and jobs held by business owners and self-employed persons.
- The total job count does not include unpaid volunteers or family workers, and private household workers.
- In 2017, total jobs in the City of San Fernando numbered 11,496, a decrease of 26.7 percent from 2007.
- Manufacturing jobs include those employed in various sectors including food; apparel; metal; petroleum and coal; machinery; computer and electronic products; and transportation equipment.
- Between 2007 and 2017, the number of manufacturing jobs in the city increased by 0.19 percent.

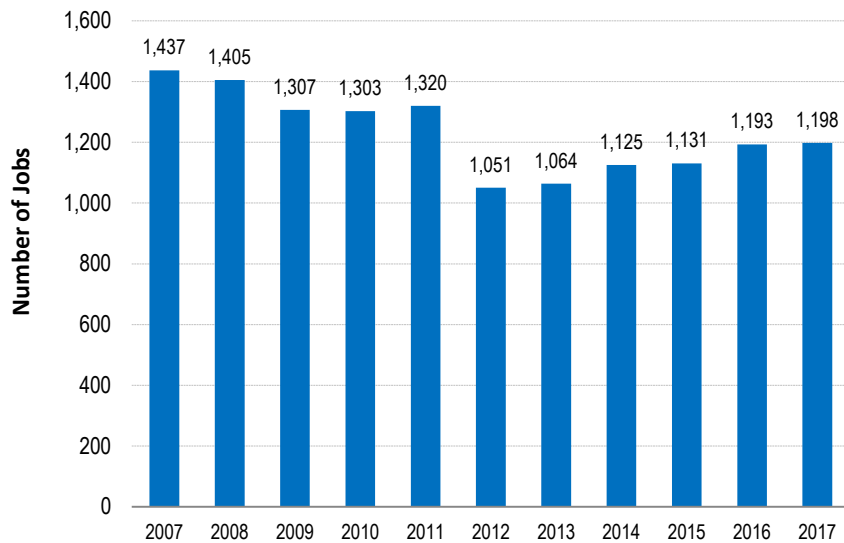
**Jobs in Construction: 2007 - 2017**



Sources: California Employment Development Department, 2007 - 2017; InfoGroup; & SCAG

- Construction jobs include those engaged in both residential and non-residential construction.
- Between 2007 and 2017, construction jobs in the city decreased by 43.2 percent.

**Jobs in Retail Trade: 2007 - 2017**

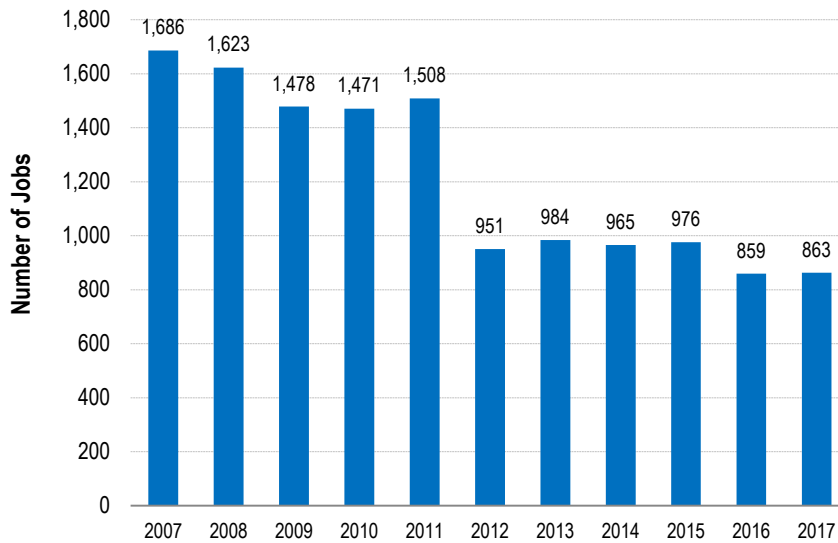


Sources: California Employment Development Department, 2007 - 2017; InfoGroup; & SCAG

- Retail trade jobs include those at various retailers including motor vehicle and parts dealers, furniture, electronics and appliances, building materials, food and beverage, clothing, sporting goods, books, and office supplies.
- Between 2007 and 2017, the number of retail trade jobs in the city decreased by 16.6 percent.



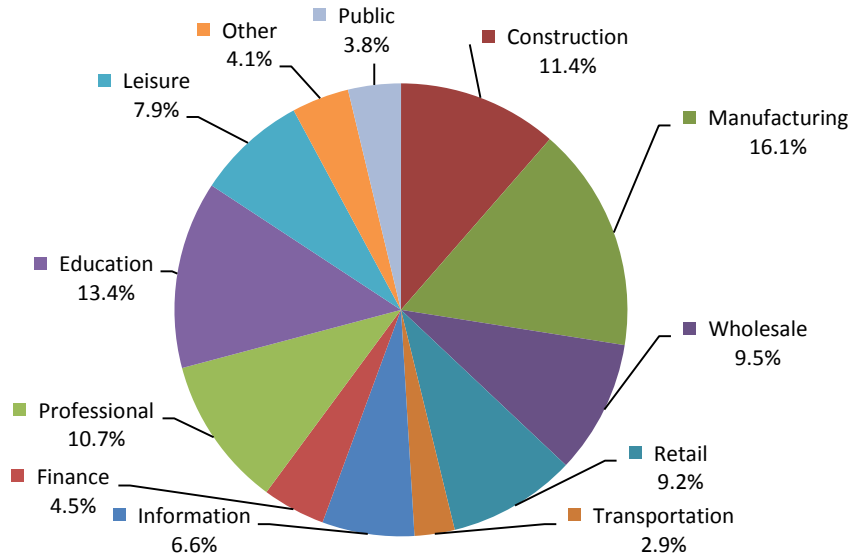
**Jobs in Professional and Management: 2007 - 2017**



Sources: California Employment Development Department, 2007 - 2017; InfoGroup; & SCAG

- Jobs in the professional and management sector include those employed in professional and technical services, management of companies, and administration and support.
- Between 2007 and 2017, the number of professional and management jobs in the city decreased by 48.8 percent.

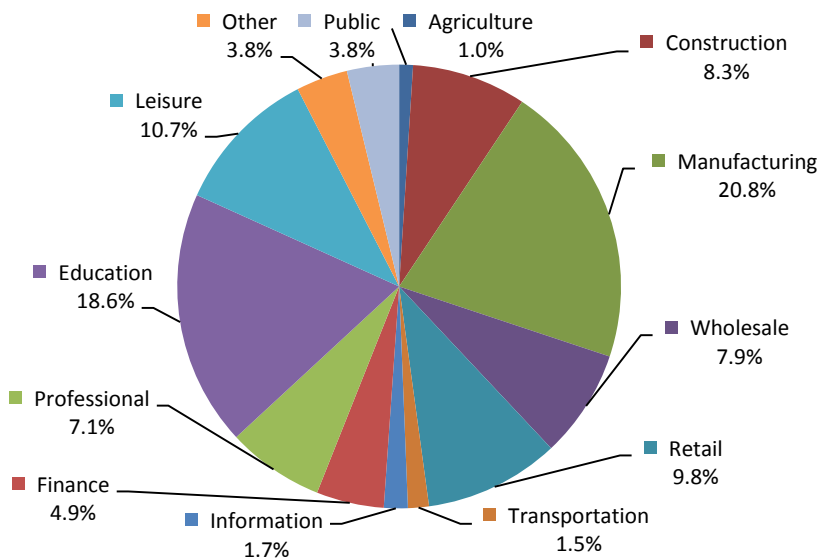
**Jobs by Sector: 2007**



Sources: California Employment Development Department, 2007; InfoGroup; & SCAG

- From 2007 to 2017, the share of Education jobs increased from 13.4 percent to 18.6 percent.
- See 'Methodology' section for industry sector definitions.

**Jobs by Sector: 2017**

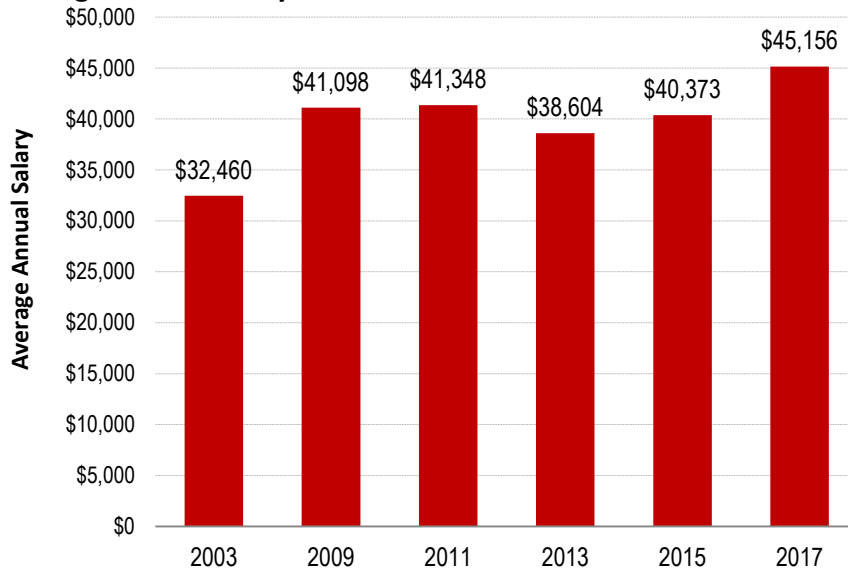


Sources: California Employment Development Department, 2018; InfoGroup; & SCAG

- In 2017, the Manufacturing sector was the largest job sector, accounting for 20.8 percent of total jobs in the city.
- Other major sectors included Education (18.6 percent), Leisure (10.7 percent), and Retail (9.8 percent).

### Average Salaries

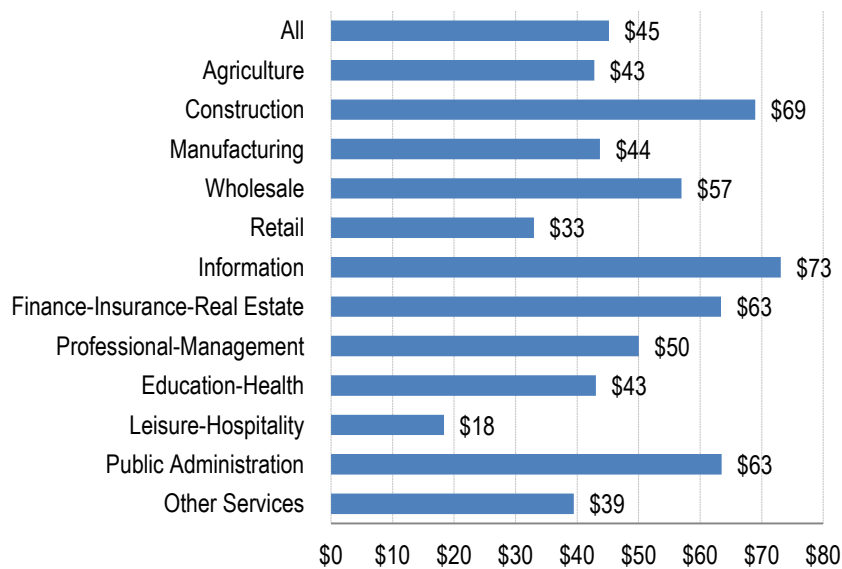
#### Average Annual Salary: 2003 - 2017



Source: California Employment Development Department, 2003 - 2017

- Average salaries for jobs located in the city increased from \$32,460 in 2003 to \$45,156 in 2017, a 39.1 percent change.
- Note: Dollars are not adjusted for annual inflation.

#### Average Annual Salary by Sector: 2017 (\$ thousands)



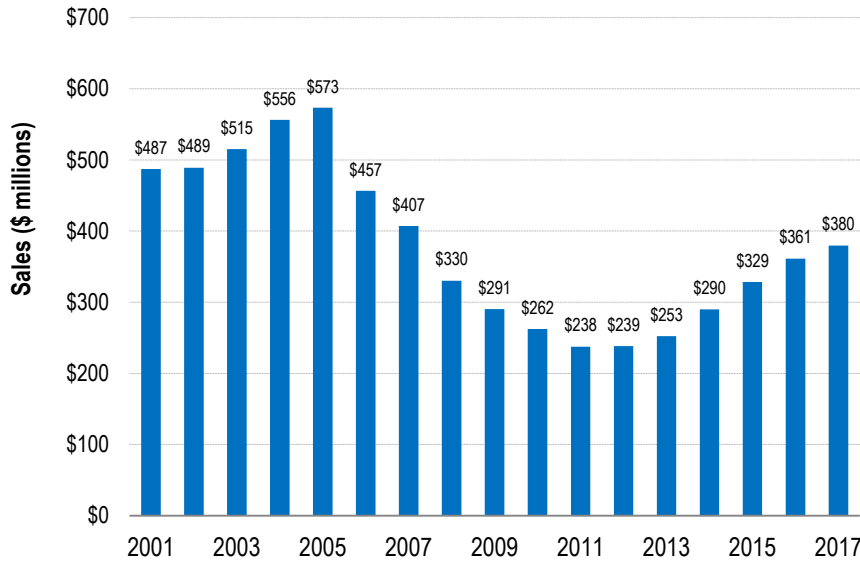
Source: California Employment Development Department, 2017

- In 2017, the employment sector providing the highest salary per job in the city was Information (\$73,125).
- The Leisure-Hospitality sector provided the lowest annual salary per job (\$18,368).

## VIII. RETAIL SALES

### Real Retail Sales

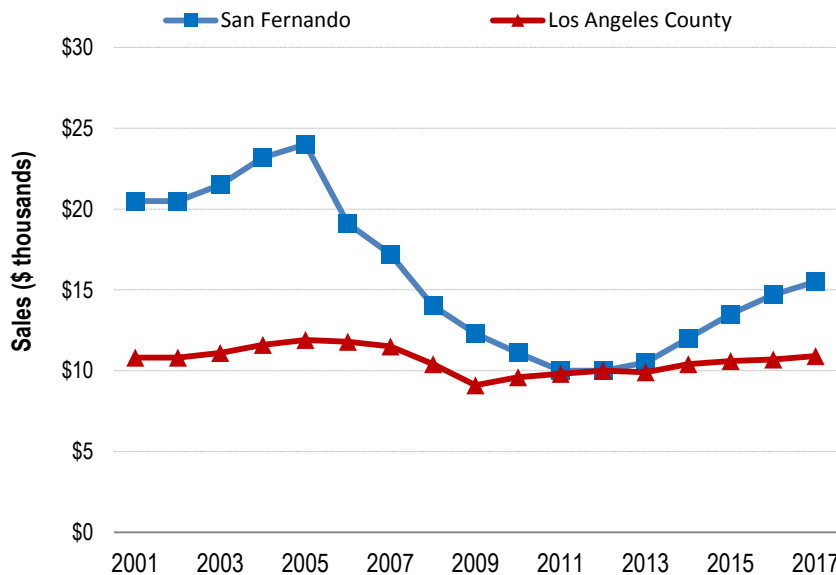
#### Real Retail Sales: 2001 - 2017



Source: California Board of Equalization, 2001-2017

- Real (inflation adjusted) retail sales in the City of San Fernando was \$380 million in 2017.

#### Real Retail Sales per Person: 2001 - 2017



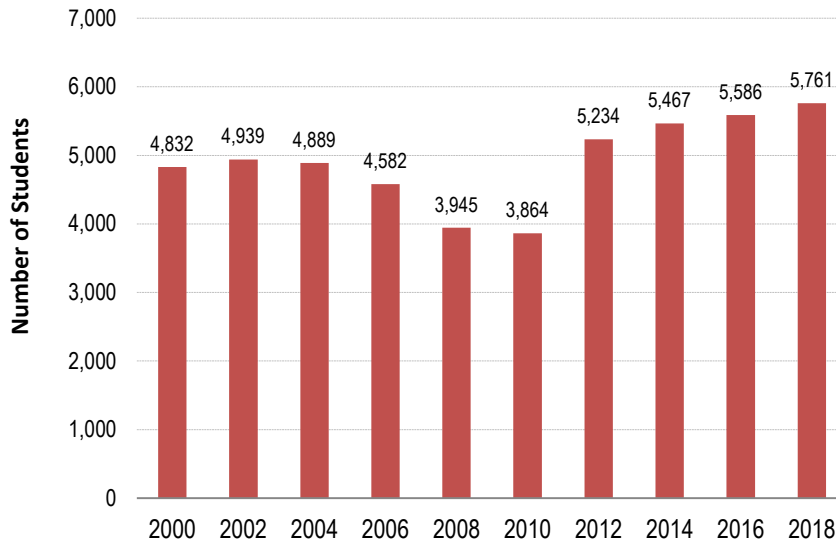
Source: California Board of Equalization, 2001-2017

- Real retail sales per person for the city was \$15.5 thousand in 2017.

## IX. EDUCATION

### Total Student Enrollment

#### K-12 Public School Student Enrollment: 2000 - 2018

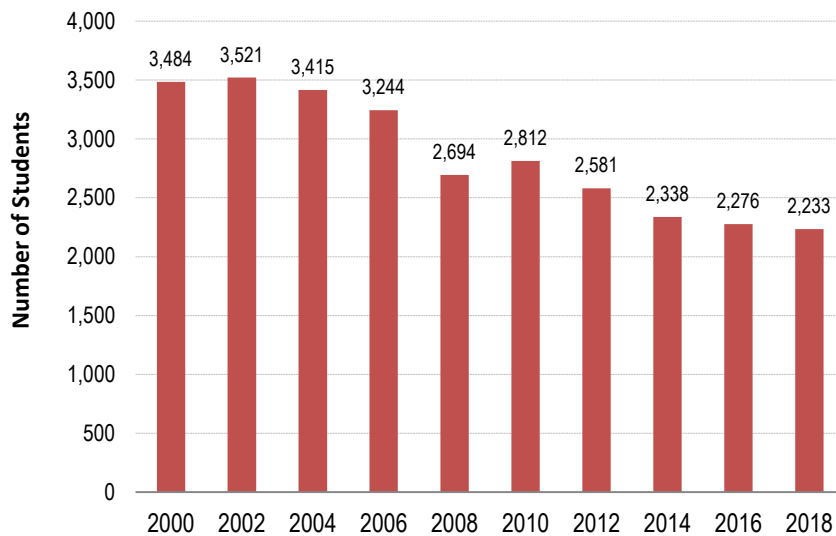


Source: California Department of Education, 2000 - 2018

- Between 2000 and 2018, total K-12 public school enrollment for schools within the City of San Fernando increased by 929 students, or about 19.2 percent.

### Student Enrollment by Grade

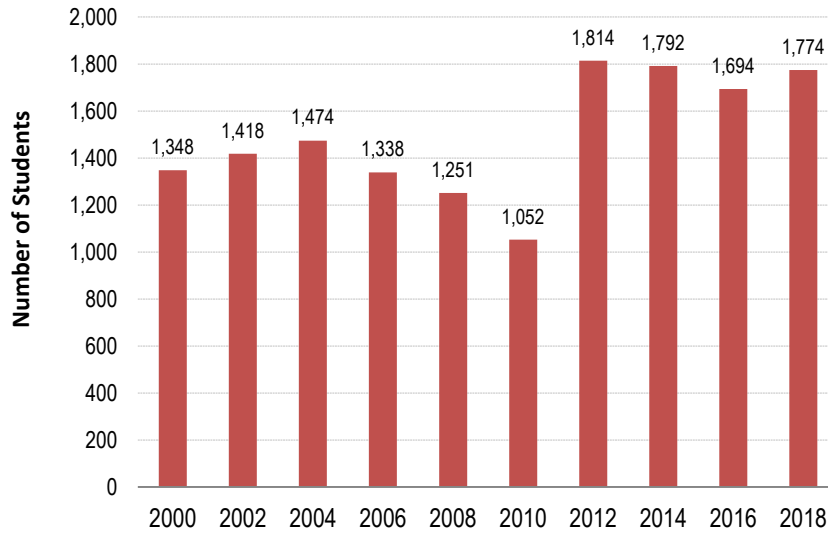
#### K-6 Public School Student Enrollment: 2000 - 2018



Source: California Department of Education, 2000 - 2018

- Between 2000 and 2018, total public elementary school enrollment decreased by 1,251 students or 35.9 percent.

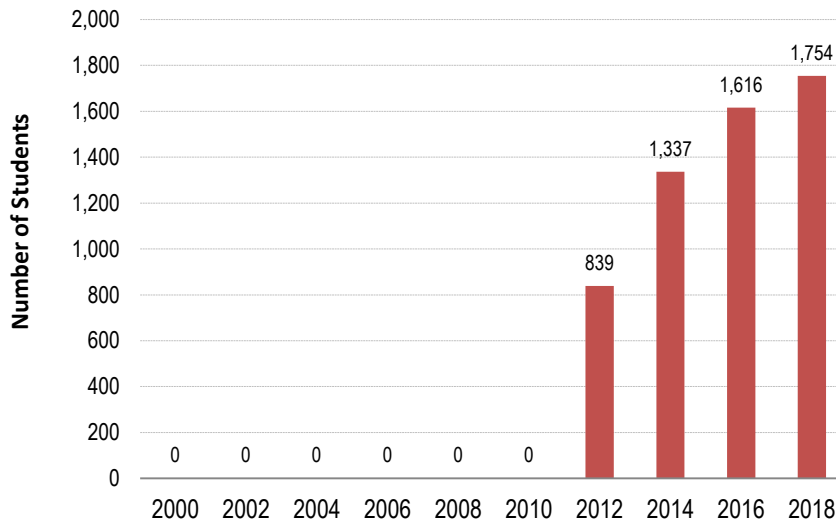
### Grades 7-9 Public School Student Enrollment: 2000 - 2018



Source: California Department of Education, 2000 - 2018

- Between 2000 and 2018, total public school enrollment for grades 7-9 increased by 426 students or 31.6 percent.

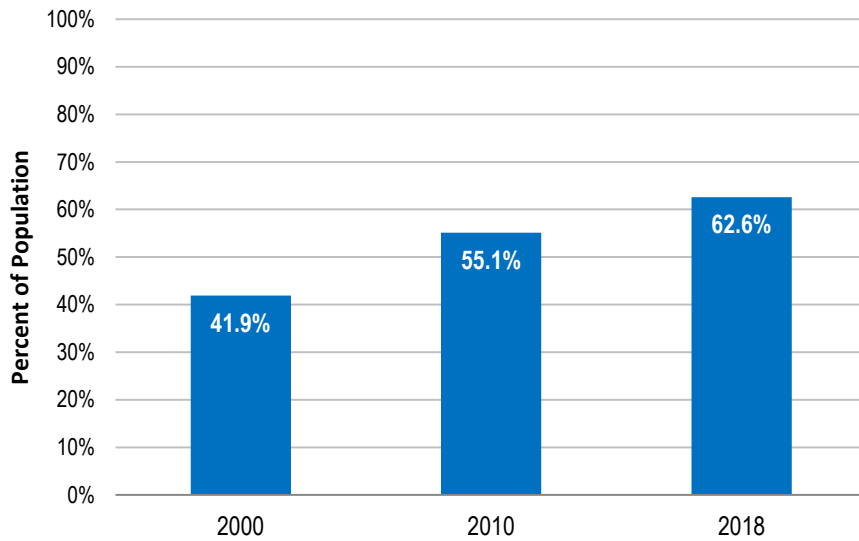
### Grades 10-12 Public School Student Enrollment: 2000 - 2018



Source: California Department of Education, 2000 - 2018

- Between 2000 and 2018, total public school enrollment for grades 10-12 increased to 1,754 students.

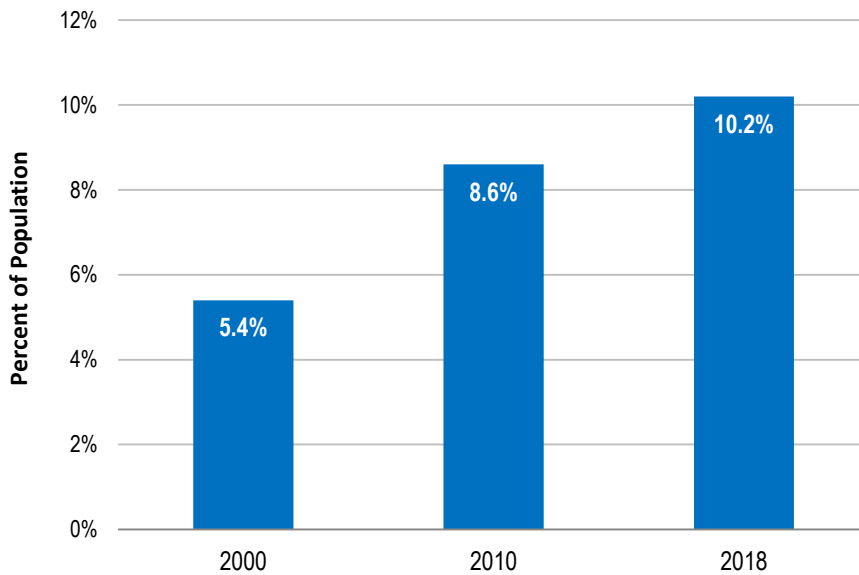
### Percent of City Population Completing High School or Higher



Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- In 2018, 62.6 percent of the population 25 years old and over completed high school or higher, which is higher than the 2000 level.

### Percent of City Population Completing a Bachelor's Degree or Higher



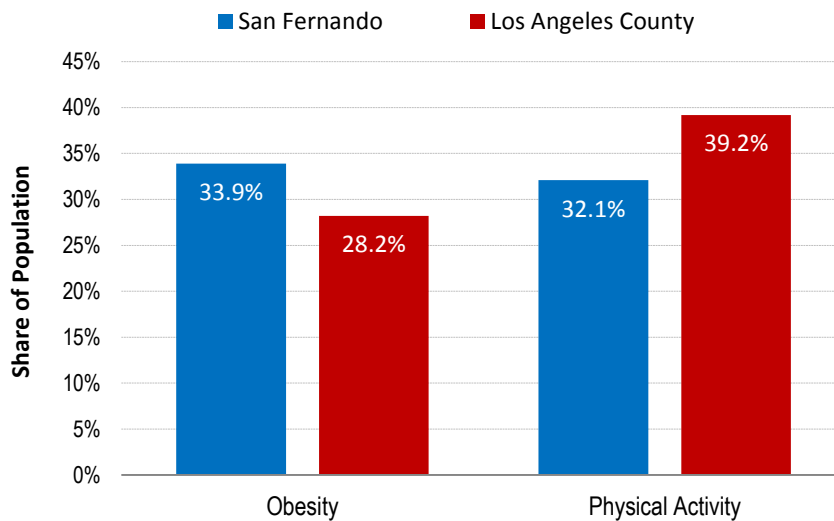
Sources: 2000 & 2010 U.S. Decennial Census; American Community Survey, 2017; Nielsen Co.

- In 2018, 10.2 percent of the population 25 years old and over completed a Bachelor degree or higher, which is higher than the 2000 level.

## X. PUBLIC HEALTH

Many adverse public health outcomes related to obesity and poor air quality may be preventable through the implementation of a more sustainable and integrated program of community and transportation planning at the regional and local levels. Evidence has shown that built environment factors play an important role in supporting healthy behavior and reducing rates of chronic diseases and obesity. For example, improved active transportation infrastructure, better accessibility to recreational open space, and the development of more walkable communities enhance opportunities for physical exercise and thereby result in a reduction of obesity rates, along with the chronic diseases associated with physical inactivity.

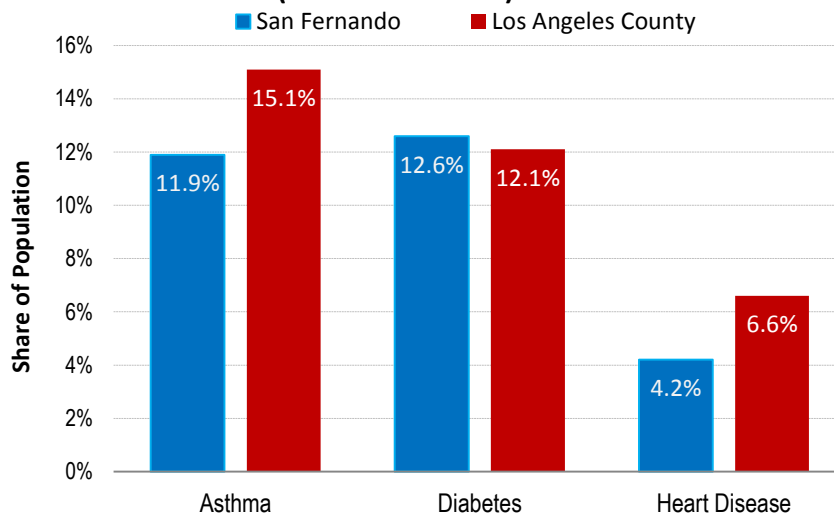
### Obesity/Physical Activity Rates (18 Years & Older)



- The obesity rate in the City of San Fernando was 33.9 percent, which was higher than the County rate.
- ‘Obesity’ is defined as a Body Mass Index (BMI) of 30 or higher.
- ‘Physical Activity’ refers to walking a minimum of 150 minutes per week.

Source: California Health Interview Survey, 2018

### Chronic Disease Rate (18 Years & Older)



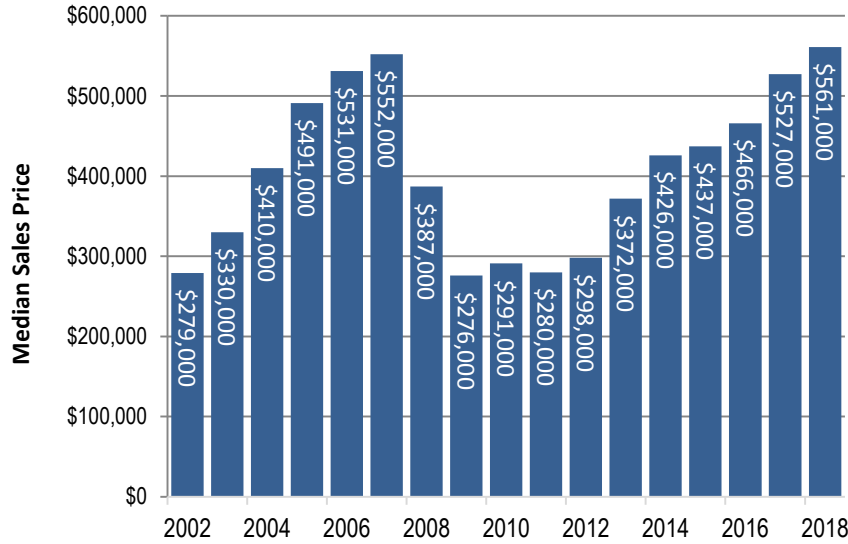
- The share of population in the City of San Fernando ever diagnosed with asthma was 11.9 percent; for diabetes the rate was 12.6 percent; and for heart disease 4.2 percent.

Source: California Health Interview Survey, 2018



## XI. SCAG REGIONAL HIGHLIGHTS

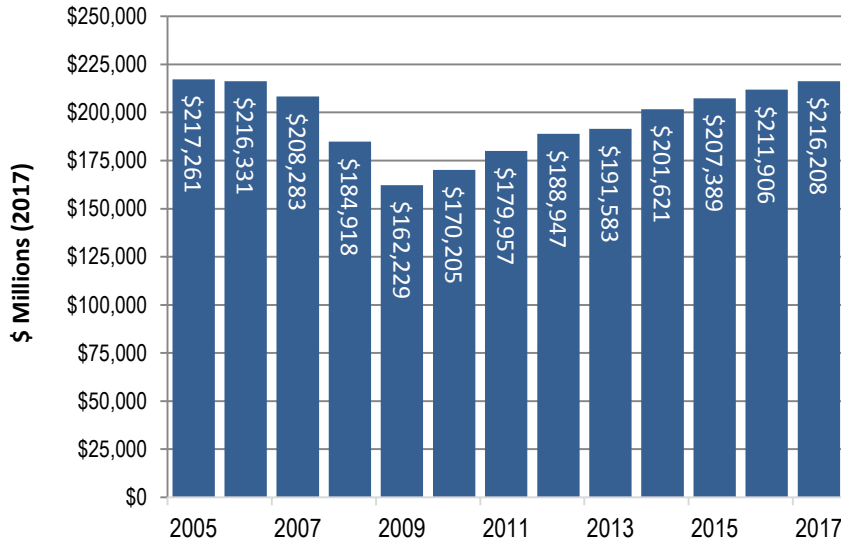
**Regional Median Sales Price for Existing Homes: 2002 - 2018**



Source: CoreLogic/DataQuick, 2002-2018

- After peaking in 2007, the median sales price for existing homes in the SCAG region dropped by half by 2009.
- By 2018, the median sales price had increased by more than 100 percent since 2009 to a new high of \$561,000.
- Median home sales price is calculated based on total existing home sales in the SCAG region.

**Regional Retail Sales: 2005 - 2017**



Source: California State Board of Equalization, 2005-2017

- Retail sales tend to follow regional trends in personal income, employment rates, and consumer confidence.
- Between 2005 and 2009, real (inflation adjusted) regional retail sales decreased by 25 percent.
- Total retail sales in the SCAG region increased by about 33 percent between 2009 and 2017.

## **XII. DATA SOURCES**

**California Department of Education**

**California Department of Finance, Demographic Research Unit**

**California Employment Development Department, Labor Market Information Division**

**California Health Interview Survey**

**California State Board of Equalization**

**Construction Industry Research Board**

**CoreLogic/DataQuick**

**InfoGroup**

**Nielsen Company**

**U.S. Census Bureau**

### XIII. METHODOLOGY

SCAG's 2019 Local Profiles reports utilize the most current information available from a number of public resources, including the U.S. Census Bureau, California Department of Finance, and the California Department of Education. In cases where public information is not available, or is not the most recent, SCAG contracts with a number of private entities to obtain local and regional data. The following sections describe how each data source is compiled to produce the information provided in this report.

#### **Statistical Summary Table**

In the Statistical Summary Table (page 3), the values in the field 'Jurisdiction Relative to County/Region' represent the difference between the jurisdiction's value and the county/region value, except for the following categories which represent the jurisdiction's value as a share of the county (or in the case of an entire county as a share of the region): Population, Number of Households, Number of Housing Units, Number of Jobs, Total Jobs Change, and K-12 Student Enrollment.

Median Age, Homeownership Rate, and Median Household Income are based on data provided by the American Community Survey and the Nielsen Company. Number of Housing Units is based on the 2010 Census and estimates provided by the California Department of Finance. Data for all other categories are referenced throughout the report.

#### **Population Section**

Where referenced, data for 2000 through 2018 was obtained from the California Department of Finance E-5 estimates, which were published in May, 2018. This dataset is benchmarked to population data from the 2000 and 2010 U.S. Decennial Censuses. Data relating to population by age group and by race/ethnicity was derived from the 2000 and 2010 U.S. Decennial Census, the American Community Survey, and the Nielsen Company. The 2000 value is based on U.S. Decennial Census data for April 1, 2000 and the 2010 value is based on U.S. Decennial Census data for April 1, 2010.

Below are definitions for race and ethnicity, as provided by the U.S. Census Bureau.

The 'Hispanic or Latino Origin' category refers to:

- Persons of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The 'Race' categories include:

- American Indian or Alaska Native: Persons having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- Asian: Persons having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, Philippines, Thailand, and Vietnam.
- Black or African American: Persons having origins in any of the black racial groups of Africa, including those who consider themselves to be Haitian.

- White: Persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- Some Other Race: This category includes Native Hawaiian or Other Pacific Islander (persons having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands) and all other responses not included in the 'American Indian or Alaska Native', 'Asian', 'Black or African American', or 'White' racial categories described above.

Charts for population based on age were tabulated using data from the 2000 and 2010 U.S. Decennial Census, the American Community Survey, and the Nielsen Company. Charts for race/ethnicity were tabulated using data from the 2000 and 2010 U.S. Decennial Census, the American Community Survey, and the Nielsen Company.

### **Households Section**

Households refer to the number of occupied housing units. The 2000 value is based on U.S. Decennial Census data for April 1, 2000 and the 2010 value is based on U.S. Decennial Census data for April 1, 2010. Information for inter-census years was provided by the American Community Survey and the Nielsen Company. Average household size was calculated using information provided by the California Department of Finance. Households by Size calculations are based on data provided by the American Community Survey and the Nielsen Company.

### **Housing Section**

Housing units are the total number of both vacant and occupied units. Housing units by housing type information was developed using data from the California Department of Finance. Age of housing stock data was provided by the American Community Survey and the Nielsen Company.

The number of residential units with permits issued was obtained using Construction Industry Research Board data, which are collected by counties and are self-reported by individual jurisdictions. It represents both new single family and new multi-family housing units that were permitted to be built, along with building permits that were issued for improvements to existing residential structures. Please note that SCAG opted to report the annual number of permits issued by each jurisdiction which may be different than the number of housing units completed or constructed annually. This was done using a single data source which provides consistent data for all jurisdictions. The Construction Industry Research Board defines 'multi-family' housing to include duplexes, apartments, and condominiums in structures of more than one living unit.

Median home sales price data was compiled from information obtained from CoreLogic/DataQuick, and was calculated based on total resales of existing homes in the jurisdiction, including both single family homes and condominiums. The median home sales price does not reflect the entire universe of housing in the jurisdiction, only those units that were sold within the specified calendar year.

Housing Cost Share refers to the percentage of household income devoted to housing expenses. Housing cost share data for homeowners and renters is provided by the American Community Survey.

## Transportation Section

The journey to work data for the year 2000 was obtained by using the 2000 U.S. Decennial Census Summary File 3. Data for 2010 is based on the 2010 U.S. Decennial Census. Information for inter-census years was provided by the American Community Survey and the Nielsen Company.

## Active Transportation Section

Data sources for county bike lane mileage by facility classification was provided by the six County Transportation Commissions in the SCAG region.

## Employment Section

Data sources for estimating jurisdiction employment and wage information include the 2010 U.S. Census Bureau Local Employment Dynamics Survey, and information from the California Employment Development Department, InfoGroup, and SCAG for years 2007-2017. In many instances, employment totals from individual businesses were geocoded and aggregated to the jurisdictional level.

Employment information by industry type is defined by the North American Industry Classification System (NAICS). Although the NAICS provides a great level of detail on industry definitions for all types of businesses in North America, for the purposes of this report, this list of industries has been summarized into the following major areas: agriculture, construction, manufacturing, wholesale, retail, information, finance/insurance/real estate, professional/management, education/health, leisure/hospitality, public administration, other services, and non-classified industries.

A brief description of each major industry area is provided below:

- **Agriculture:** Includes crop production, animal production and aquaculture, forestry and logging, fishing, hunting, and trapping, and support activities for agriculture and forestry.
- **Construction:** Includes activities involving the construction of buildings, heavy and civil engineering construction, and specialty trade contractors.
- **Manufacturing:** Includes the processing of raw material into products for trade, such as food manufacturing, apparel manufacturing, wood product manufacturing, petroleum and coal products manufacturing, chemical manufacturing, plastics and rubber products manufacturing, nonmetallic mineral product manufacturing and primary metal manufacturing.
- **Wholesale:** Includes activities conducting the trade of raw materials and durable goods.
- **Retail:** Includes activities engaged in the sale of durable goods directly to consumers.
- **Information:** Includes activities that specialize in the distribution of content through a means of sources, including newspaper, internet, periodicals, books, software, motion pictures, sound recording, radio and television broadcasting, cable or subscription programming, telecommunications, data processing/hosting, and other information media.
- **Finance/Insurance/Real Estate:** Includes businesses associated with banking, consumer lending, credit intermediation, securities brokerage, commodities exchanges, health/life/medical/title/property/casualty insurance agencies and brokerages, and real estate rental/leasing/sales.

- **Professional/Management:** Includes activities that specialize in professional/ scientific/technical services, management of companies and enterprises, and administrative and support services. Establishment types may include law offices, accounting services, architectural/engineering firms, specialized design services, computer systems design and related services, management consulting firms, scientific research and development services, advertising firms, office administrative services, and facilities support services.
- **Education/Health:** Organizations include elementary and secondary schools, junior colleges, universities, professional schools, technical and trade schools, medical offices, dental offices, outpatient care centers, medical and diagnostic laboratories, hospitals, nursing and residential care facilities, social assistance services, emergency relief services, vocational rehabilitation services, and child day care services.
- **Leisure/Hospitality:** Includes activities involved in the performing arts, spectator sports, museums, amusement/recreation, travel accommodations, and food and drink services.
- **Public Administration:** Includes public sector organizations, such as legislative bodies, public finance institutions, executive and legislative offices, courts, police protection, parole offices, fire protection, correctional institutions, administration of governmental programs, space research and technology, and national security.
- **Other Services:** Includes, for example, automotive repair and maintenance, personal and household goods repair and maintenance, personal laundry services, dry-cleaning and laundry services, religious services, social advocacy organizations, professional organizations, and private households.
- **Non-Classified:** All other work activities that are not included in the North American Industry Classification System.

### Retail Sales Section

Retail sales data is obtained from the California Board of Equalization, which does not publish individual point-of-sale data. All reported data is adjusted for inflation.

### Education Section

Student enrollment data is based on public school campuses that are located within each jurisdiction's respective boundary. Enrollment numbers by grade within a given jurisdiction are tabulated based upon data obtained from the California Department of Education. Enrollment year is based on the end date of the school year; for example, enrollment data for the year 2000 refers to the 1999-2000 school year. City boundaries used in the dataset for all years is based on data provided by the Local Agency Formation Commission for each county in the region.

### Public Health Section

Data sources for city and county obesity rates (share of population with a BMI of 30 or higher) and rates of physical activity (share of population that walked a minimum of 150 minutes each day) was obtained through the California Health Interview Survey (AskCHIS: Neighborhood Edition). Chronic disease incidence rates were also obtained through the California Health Interview Survey.

## **Regional Highlights**

Information for this section was developed through data from CoreLogic/DataQuick and the California Board of Equalization.

## **Data Sources Section**

In choosing data sources for use in this report, the following factors were considered:

- Availability for all jurisdictions in the SCAG region
- The most recognized source on the subject
- Data sources available within the public domain
- Data available on an annual basis

The same data sources are used for all Local Profiles (except where noted) to maintain overall reporting consistency. Jurisdictions are not constrained from using other data sources for their planning activities.

The preparation of this report has been financed in part through grants from the Federal Highway Administration and Federal Transit Administration, U.S. Department of Transportation, under the Metropolitan Planning Program, Section 104(f) of Title 23, U.S. Code. The contents of this report do not necessarily reflect the official views or policy of the U.S. Department of Transportation. Additional assistance was provided by the California Department of Transportation.

## XIV. ACKNOWLEDGMENTS

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 Debbie Dillon, Deputy Executive Director, Administration  
 Joann Africa, Chief Counsel/Director, Legal Services  
 Basil Panas, Chief Financial Officer  
 Julie Loats, Chief Information Officer  
 Art Yoon, Director of Policy & Public Affairs  
 Sarah Jepson, Acting Director of Planning

### Department Manager

Ping Chang, Manager, Compliance & Performance Monitoring

### Project Manager

Michael Gainor, Senior Regional Planner

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### Reproduction

Pat Camacho, Office Services Specialist

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 Jianhong Sun, Database Administrator  
 Alan Thompson, Senior Regional Planner  
 Tom Vo, Senior Regional Planner  
 Brittany Webber, SCAG Receptionist  
 Ying Zhou, Program Manager II



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May 2019**

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<b>2nd Vice-President</b>	3. Hon. Randon Lane	<i>Murrieta</i>	<b>District 5</b>
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	7. Hon. Kathryn Barger		Los Angeles County
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	35. VACANT		District 23
	36. Hon. Sonny R. Santa Ines	<i>Bellflower</i>	District 24

**Southern California Association of Governments  
Regional Council Roster  
May 2019**

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42.	Hon. Lena Gonzalez	<i>Long Beach</i>	District 30
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44.	Hon. Margaret Clark	<i>Rosemead</i>	District 32
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51.	Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
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53.	Hon. Jess Talamantes	<i>Burbank</i>	District 42
54.	Hon. Steven Hofbauer	<i>Palmdale</i>	District 43
55.	Hon. David J. Shapiro	<i>Calabasas</i>	District 44
56.	Hon. Carmen Ramirez	<i>Oxnard</i>	District 45
57.	Hon. David Pollock	<i>Moorpark</i>	District 46
58.	Hon. Tim Holmgren	<i>Fillmore</i>	District 47
59.	Hon. Gilbert Cedillo	<i>Los Angeles</i>	District 48
60.	Hon. Paul Krekorian	<i>Los Angeles</i>	District 49
61.	Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
62.	Hon. David Ryu	<i>Los Angeles</i>	District 51
63.	Hon. Paul Koretz	<i>Los Angeles</i>	District 52
64.	Hon. Nury Martinez	<i>Los Angeles</i>	District 53
65.	Hon. Monica Rodriguez	<i>Los Angeles</i>	District 54
66.	Hon. Marqueece Harris-Dawson	<i>Los Angeles</i>	District 55
67.	Hon. Curren D. Price, Jr.	<i>Los Angeles</i>	District 56
68.	Hon. Herb J. Wesson, Jr.	<i>Los Angeles</i>	District 57
69.	Hon. Mike Bonin	<i>Los Angeles</i>	District 58
70.	VACANT	<i>Los Angeles</i>	District 59
71.	Hon. Mitch O'Farrell	<i>Los Angeles</i>	District 60

**Southern California Association of Governments  
Regional Council Roster  
May 2019**

72.	Hon. José Huizar	<i>Los Angeles</i>	District 61
73.	Hon. Joe Buscaino	<i>Los Angeles</i>	District 62
74.	Hon. Steve Manos	<i>Lake Elsinore</i>	District 63
75.	Hon. Lyn Semeta	<i>Huntington Beach</i>	District 64
76.	Hon. Rita Ramirez	<i>Victorville</i>	District 65
77.	Hon. Megan Beaman Jacinto	<i>Coachella</i>	District 66
78.	Hon. Marsha McLean	<i>Santa Clarita</i>	District 67
79.	Hon. Rusty Bailey	<i>Riverside</i>	District 68
80.	Hon. Marisela Magana	<i>Perris</i>	District 69
81.	Hon. Ben Benoit	<i>Wildomar</i>	Air District Representative
82.	Hon. Peggy Huang	<i>Yorba Linda</i>	TCA Representative
83.	Hon. Eric Garcetti	<i>Los Angeles</i>	Member at Large
84.	Mr. Randall Lewis		Ex-Officio Member

Attachment: City of San Fernando Appeal Form and Supporting Documentation (Appeal of the Draft RHNA Allocation for the City of San

**Notes:**



**SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS**

900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

**T:** (213) 236-1800

[www.scag.ca.gov](http://www.scag.ca.gov)

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**REGIONAL OFFICES**

**Imperial County**

1503 North Imperial Avenue, Suite 104  
El Centro, CA 92243

**T:** (760) 353-7800

**Orange County**

OCTA Building  
600 South Main Street, Suite 1233  
Orange, CA 92868

**T:** (714) 542-3687

**Riverside County**

3403 10th Street, Suite 805  
Riverside, CA 92501

**T:** (951) 784-1513

**San Bernardino County**

Santa Fe Depot  
1170 West 3rd Street, Suite 140  
San Bernardino, CA 92418

**T:** (909) 806-3556

**Ventura County**

4001 Mission Oaks Drive, Suite L  
Camarillo, CA 93012

**T:** (805) 642-2800

## **Exhibit 7:**

LA County Public Health COVID-19 Link

[http://publichealth.lacounty.gov/media/  
Coronavirus/data/index.htm#](http://publichealth.lacounty.gov/media/Coronavirus/data/index.htm#)

# Age-Adjusted Death Rates due to COVID-19 per 100K October 25, 2020

	Mortality Rate
<b>Los Angeles County Total</b>	<b>63</b>
Race/Ethnicity	
Asian	48
Black/African American	69
Hispanic/Latino	100
White	35
Area Poverty	
<10% area poverty	33
10% to <20% area poverty	65
20% to <30% area poverty	87
30% to 100% area poverty	129

**Data Input and Verification Form**  
 Bottom-Up Local Input and Envisioning Process  
 2020 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS)

Date: 8/4/2018

A - Contact & Background Information

This Represents Communication: \_\_\_\_\_ From the Jurisdiction of San Fernando to SCAG

Jurisdiction Contact Person: <u>TIMOTHY HOU</u> Position: <u>DIRECTOR OF COMMUNITY DEVELOPMENT</u> Email: <u>thou@sfcity.org</u> Phone: <u>(818) 898-7316</u>	Background Information: <input checked="" type="checkbox"/> I am my Jurisdiction's City Manager/County Administrative Officer, Community Development/Planning Director, or City Clerk (submitting on behalf of a jurisdiction's governing body)  <input type="checkbox"/> I am a staff person from a local jurisdiction, submitting input under supervision of one of the persons identified above (see appropriate signature below)
--	---

Additional Background, if any, based upon Previous Communications: \_\_\_\_\_

B - Action Items

We are seeking to (select all that apply):

Submit to SCAG:

<input checked="" type="checkbox"/> Provide Input on SCAG's Core Geographic Data	<input type="checkbox"/> Other, please specify _____
<input checked="" type="checkbox"/> Provide Input on SCAG's Core Demographic Data	_____
<input checked="" type="checkbox"/> Provide Input on Supplemental Data Elements	_____

C - Data Type

With Relation to SCAG's:

<b>Core Geographic Data:</b> <input checked="" type="checkbox"/> General Plan Land Use <input checked="" type="checkbox"/> Zoning <input checked="" type="checkbox"/> Existing Land Use <input checked="" type="checkbox"/> Specific Plan Land Use <input type="checkbox"/> Endangered Species and Plants* <input checked="" type="checkbox"/> Open Space and Parks* <input checked="" type="checkbox"/> Flood Areas* <input checked="" type="checkbox"/> Natural Community and Habitat Conservation Plans* <input checked="" type="checkbox"/> Farmland* <input type="checkbox"/> Coastal Inundation (Sea Level Rise)* <input checked="" type="checkbox"/> Major Stops and High Quality Transit Corridors* <input checked="" type="checkbox"/> Transit Priority Areas* <input checked="" type="checkbox"/> Regional Bikeways <input checked="" type="checkbox"/> Regional Truck Routes <input checked="" type="checkbox"/> City Boundary* <input type="checkbox"/> Sphere of Influence* <input type="checkbox"/> Census Tracts** <input checked="" type="checkbox"/> Transportation Analysis Zone (TAZ) Boundaries** <input checked="" type="checkbox"/> Entitlements <input checked="" type="checkbox"/> Potential Infill Sites	<b>Core Demographic Data:</b> <input checked="" type="checkbox"/> Population <input checked="" type="checkbox"/> Households <input type="checkbox"/> Employment Year: <input type="checkbox"/> 2016 <input checked="" type="checkbox"/> 2020 <input type="checkbox"/> 2030 (Input needed at jurisdictional level only) <input type="checkbox"/> 2035 <input checked="" type="checkbox"/> 2045 Geographic Level: <input checked="" type="checkbox"/> Jurisdictional Level <input checked="" type="checkbox"/> Transportation Analysis Zone (TAZ) <input type="checkbox"/> Other Geographic Level (Please Specify): _____
---	--

**Supplemental Data Elements (available for review June 2018):**

<input type="checkbox"/> Zoning Overlay Areas	<input type="checkbox"/> Corridor Plans
<input type="checkbox"/> Community Design Overlays	<input type="checkbox"/> Special Districts
<input type="checkbox"/> Community Land Trusts	<input type="checkbox"/> Bike/Ped Volume Data***
<input type="checkbox"/> Historic Preservation Areas	<input type="checkbox"/> Ped Trails/Sidewalk Data***
<input type="checkbox"/> Bike Sharing Facilities	<input type="checkbox"/> Public Health Data***
<input type="checkbox"/> Bike Stations	
<input type="checkbox"/> Car-Sharing Parking Sites	
<input type="checkbox"/> Joint Public/Private Developments for Affordable Housing	
<input type="checkbox"/> Areas with Reduced Parking Minimums and Maximums	

\* These data elements are maintained by local, state, or federal entities, and SCAG will forward input received from jurisdictions to the appropriate source

\*\* These data elements are being provided as reference information as they are not open to revision (TAZ Boundaries and Census Tracts)

\*\*\* For these elements, SCAG is looking to obtain any available data; local review not needed

Attachment: Data Input and Verification Form (City of San Fernando) (Appeal of the Draft RHNA Allocation for the City of San Fernando)





**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](http://www.hcd.ca.gov)



October 15, 2019

Kome Ajise  
Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

Dear Executive Director Ajise,

**RE: Final Regional Housing Need Assessment**

The California Department of Housing and Community Development (HCD) has received and reviewed your objection to the Southern California Association of Governments (SCAG)'s Regional Housing Needs Assessment (RHNA) provided on August 22, 2019. Pursuant to Government Code (Gov. Code) section 65584.01(c)(3), HCD is reporting the results of its review and consideration, along with a final written determination of SCAG's RHNA and explanation of methodology and inputs.

As a reminder, there are several reasons for the increase in SCAG's 6<sup>th</sup> cycle Regional Housing Needs Assessment (RHNA) as compared to the 5<sup>th</sup> cycle. First, as allowed under Gov. Code 65584.01(b)(2), the 6<sup>th</sup> cycle RHNA applied housing need adjustment factors to the region's total projected households, thus capturing existing and projected need. Second, overcrowding and cost burden adjustments were added by statute between 5<sup>th</sup> and 6<sup>th</sup> cycle; increasing RHNA in regions where incidents of these housing need indicators were especially high. SCAG's overcrowding rate is 10.11%, 6.76% higher than the national average. SCAG's cost burden rate is 69.88% for lower income households, and 18.65% for higher income households, 10.88% and 8.70% higher than the national average respectively. Third, the 5<sup>th</sup> cycle RHNA for the SCAG region was impacted by the recession and was significantly lower than SCAG's 4<sup>th</sup> cycle RHNA.

This RHNA methodology establishes the minimum number of homes needed to house the region's anticipated growth and brings these housing need indicators more in line with other communities, but does not solve for these housing needs. Further, RHNA is ultimately a requirement that the region zone sufficiently in order for these homes to have the potential to be built, but it is not a requirement or guarantee that these homes will be built. In this sense, the RHNA assigned by HCD is already a product of moderation and compromise; a minimum, not a maximum amount of planning needed for the SCAG region.

For these reasons HCD has not altered its RHNA approach based on SCAG's objection. However, the cost burden data input has been updated following SCAG's objection due to the availability of more recent data. Attachment 1 displays the minimum RHNA of **1,341,827** total homes among four income categories for SCAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01.

The following briefly responds to each of the points raised in SCAG's objection:

Use of SCAG's Population Forecast

SCAG's overall population estimates for the end of the projection period exceed Department of Finance's (DOF) population projections by 1.32%, however the SCAG household projection derived from this population forecast is 1.96% lower than DOF's household projection. This is a result of SCAG's population forecast containing 3,812,391 under 15-year old persons, compared to DOF's population projection containing 3,292,955 under 15-year old persons; 519,436 more persons within the SCAG forecast that are anticipated to form no households. In this one age category, DOF's projections differ from SCAG's forecast by 15.8%.

Due to a greater than 1.5% difference in the population forecast assessment of under 15-year olds (15.8%), and the resulting difference in projected households (1.96%), HCD maintains the use of the DOF projection in the final RHNA.

Use of Comparable Regions

While the statute allows for the council of government to determine and provide the comparable regions to be used for benchmarking against overcrowding and cost burden, Gov. Code 65584.01(b)(2) also allows HCD to "accept or reject information provided by the council of governments or modify its own assumptions or methodology based on this information." Ultimately, HCD did not find the proposed comparable regions an effective benchmark to compare SCAG's overcrowding and cost burden metrics to. HCD used the national average as the comparison benchmark, which had been used previously throughout 6<sup>th</sup> cycle prior to the addition of comparable region language into the statute starting in January 2019. As the housing crisis is experienced nationally, even the national average does not express an ideal overcrowding or cost burden rate; we can do more to reduce and eliminate these worst-case housing needs.

Vacancy Rate

No changes have been made to the vacancy rate standard used by HCD for the 6<sup>th</sup> cycle RHNA methodology.

Replacement Need

No changes have been made to the replacement need minimum of adjustment .5%. This accounts for replacement homes needed to account for homes potentially lost during the projection period.

Household Growth Anticipated on Tribal Lands

No changes have been made to reduce the number of households planned in the SCAG region by the amount of household growth expected on tribal lands. The region should plan for these homes outside of tribal lands.

Overlap between Overcrowding and Cost Burden

No changes have been made to overcrowding and cost burden methodology. Both factors are allowed statutorily, and both are applied conservatively in the current methodology.

### Data Sources

No changes have been made to the data sources used in the methodology. 5-year American Community Survey data allows for lower margin of error rates and is the preferred data source used throughout this cycle. With regard to cost burden rates, HCD continues to use the Comprehensive Housing Affordability Strategy, known as CHAS data. These are custom tabulations of American Community Survey requested by the U.S. Department of Housing and Urban Development. These custom tabulations display cost burden by income categories, such as lower income, households at or below 80% area median income; rather than a specific income, such as \$50,000. The definition of lower income shifts by region and CHAS data accommodates for that shift. The 2013-2016 CHAS data became available August 9, 2019, shortly prior to the issuance of SCAG's RHNA determination so that data is now used in this RHNA.

### Next Steps

As you know, SCAG is responsible for adopting a RHNA allocation methodology for the *projection* period beginning June 30, 2021 and ending October 15, 2029. Pursuant to Gov. Code section 65584(d), SCAG's RHNA allocation methodology must further 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.

Pursuant to Gov. Code section 65584.04(e), to the extent data is available, SCAG shall include the factors listed in Gov. Code section 65584.04(e)(1-12) to develop its RHNA allocation methodology. Pursuant to Gov. Code section 65584.04(f), SCAG must explain in writing how each of these factors was incorporated into the RHNA allocation methodology and how the methodology furthers the statutory objectives described above. Pursuant to Gov. Code section 65584.04(h), SCAG must consult with HCD and submit its draft allocation methodology to HCD for review.

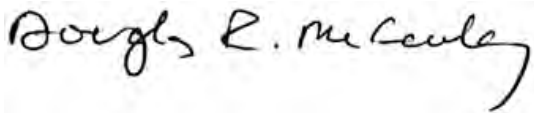
HCD appreciates the active role of SCAG staff in providing data and input throughout the consultation period. HCD especially thanks Ping Chang, Ma'Ayn Johnson, Kevin Kane, and Sarah Jepson.

HCD looks forward to its continued partnership with SCAG to assist SCAG's member jurisdictions meet and exceed the planning and production of the region's housing need. Just a few of the support opportunities available for the SCAG region this cycle include:

- SB 2 Planning Grants and Technical Assistance (application deadline November 30, 2019)
- Regional and Local Early Action Planning Grants
- Permanent Local Housing Allocation

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov).

Sincerely,



Douglas R. McCauley  
Acting Director

Enclosures

**ATTACHMENT 1**

**HCD REGIONAL HOUSING NEED DETERMINATION**

**SCAG: June 30, 2021 – October 15, 2029 (8.3 years)**

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	26.2%	351,796
Low	15.4%	206,807
Moderate	16.7%	223,957
Above-Moderate	41.7%	559,267
<b>Total</b>	<b>100.0%</b>	<b>1,341,827</b>
* Extremely-Low	14.5%	Included in Very-Low Category

Notes:

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 regional median income, then adjusted based on the percent of cost-burdened households in the region compared with the percent of cost burdened households nationally.*

## ATTACHMENT 2

**HCD REGIONAL HOUSING NEED DETERMINATION  
SCAG: June 30, 2021 – October 15, 2029 (8.3 years)**

**Methodology**

SCAG: June 30, 2021-October 15, 2029 (8.3 Years) HCD Determined Population, Households, & Housing Need				
1.	<b>Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029</b>			20,455,355
2.	- Group Quarters Population: DOF 6/30/2029 projection adjusted +3.5 months to 10/15/2029			-363,635
3.	<b>Household (HH) Population: October 15, 2029</b>			20,079,930
	<b>Household Formation Groups</b>	<b>HCD Adjusted DOF Projected HH Population</b>	<b>DOF HH Formation Rates</b>	<b>HCD Adjusted DOF Projected Households</b>
		20,079,930		6,801,760
	under 15 years	3,292,955	n/a	n/a
	15 – 24 years	2,735,490	6.45%	176,500
	25 – 34 years	2,526,620	32.54%	822,045
	35 – 44 years	2,460,805	44.23%	1,088,305
	45 – 54 years	2,502,190	47.16%	1,180,075
	55 – 64 years	2,399,180	50.82%	1,219,180
	65 – 74 years	2,238,605	52.54%	1,176,130
	75 – 84 years	1,379,335	57.96%	799,455
	85+	544,750	62.43%	340,070
4.	<b>Projected Households (Occupied Unit Stock)</b>			6,801,760
5.	+ Vacancy Adjustment (2.63%)			178,896
6.	+ Overcrowding Adjustment (6.76%)			459,917
7.	+ Replacement Adjustment (.50%)			34,010
8.	- Occupied Units (HHs) estimated (June 30, 2021)			-6,250,261
9.	+ Cost Burden Adjustment (Lower Income: 10.63%, Moderate and Above Moderate Income: 9.28%)			117,505
<b>6<sup>th</sup> Cycle Regional Housing Need Assessment (RHNA)</b>				<b>1,341,827</b>

**Explanation and Data Sources**

- 1-4. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.
5. Vacancy Adjustment: HCD applies a vacancy adjustment based on the difference between a standard 5% vacancy rate and the region's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. The adjustment is the difference between standard 5% and region's current vacancy rate (2.37%) based on the 2013-2017 5-year American Community Survey (ACS) data. For SCAG that difference is 2.63%.
6. Overcrowding Adjustment: In region's where overcrowding is greater than the U.S overcrowding rate of 3.35%, HCD applies an adjustment based on the amount the region's overcrowding rate (10.11%) exceeds the U.S. overcrowding rate (3.35%) based on the 2013-2017 5-year ACS data. For SCAG that difference is 6.76%.

*Continued on next page*

7. Replacement Adjustment: HCD applies a replacement adjustment between .5% & 5% to 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 SCAG, the 10-year average is .14%, and SCAG's consultation package provided additional data on this input indicating it may be closer to .41%; in either data source the estimate is below the minimum replacement adjustment so the minimum adjustment factor of .5% is applied.

8. Occupied Units: Reflects DOF's estimate of occupied units at the start of the projection period (June 30, 2021).
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 very-low and low income RHNA is increased by the percent difference ( $69.88\% - 59.01\% = 10.88\%$ ) between the region and the national average cost burden rate for households earning 80% of area median income and below, then this difference is applied to very low- and low-income RHNA proportionate to the share of the population these groups currently represent. The moderate and above-moderate income RHNA is increased by the percent difference ( $18.65\% - 9.94\% = 8.70\%$ ) between the region and the national average cost burden rate for households earning above 80% Area Median Income, then this difference is applied to moderate and above moderate income RHNA proportionate to the share of the population these groups currently represent. Data is from 2013-2016 Comprehensive Housing Affordability Strategy (CHAS).



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

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www.hcd.ca.gov



December 10, 2020

Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

Dear Executive Director Ajise:

**RE: Comment on Appeals of the Draft Regional Housing Need Allocation (RHNA) Plan**

Thank you for the opportunity to comment on the 52 appeals Southern California Association of Governments (SCAG) has received regarding the draft RHNA plan. The appeal process is an important phase in the development of a RHNA plan that ensures that all relevant factors and circumstances are considered.

The only circumstances under which a jurisdiction can appeal are:

- 65584.05(b)(1): The council of governments failed to adequately consider the information regarding the factors listed in subdivision (e) of section 65584.04.
- 65584.05(b)(2): The council of governments failed to determine the share of the regional housing need in a manner that furthers the intent of the objectives listed in subdivision (d) of section 65584.
- 65584.05(b)(3): A significant unforeseen change in circumstances occurred in the local jurisdiction that merits a revision of the information submitted pursuant to subdivision (e) of Section 65584.04.

The California Department of Housing and Community Development (HCD) urges SCAG to only consider appeals that meet these criteria.

Per Government Code section 65584.05(e)(1), SCAG's final determination on whether to accept, reject, or modify any appeal must be accompanied by written findings, including how the final determination is based upon the adopted RHNA allocation methodology, and how any revisions are necessary to further the statutory objectives of RHNA described in Government Code section 65584(d).

Among the appeals based on Government Code section 65584.05(b)(1), several appeals state that SCAG failed to consider the factor described in Government Code section 65584.04(e)(2)(B), citing the lack of land suitable for development as a basis for the appeal. However, this section states the council of governments may not limit its consideration of suitable housing sites to existing zoning and land use restrictions and must consider the potential for increased development under alternative zoning and

land use restrictions. Any comparable data or documentation supporting this appeal should contain an analysis of not only land suitable for urban development, but land for conversion to residential use, the availability of underutilized land, and opportunity for infill development and increased residential densities. In simple terms, this means housing planning cannot be limited to vacant land, and even communities that view themselves as built out must plan for housing through means such as rezoning commercial areas as mixed-use areas and upzoning non-vacant land.

With regard to appeals submitted related to Government Code section 65584.05(b)(2), that SCAG failed to determine the RHNA in a manner that furthers the statutory objectives, it should be noted that HCD reviewed SCAG's draft allocation methodology and found that the draft RHNA allocation methodology furthered the statutory objectives described in Government Code section 65584.

Among the appeals based on Government Code section 65584.05(b)(2), several contend that the cap on units allocated to extremely disadvantaged communities (DACs) does not further RHNA's statutory objectives. This cap furthers the statutory objective to affirmatively further fair housing by allocating more units to high opportunity areas and fewer units to low resource communities, and concentrated areas of poverty with high levels of segregation. Due to the inclusion of this factor, as well as the use of TCAC/HCD Opportunity Maps, SCAG's methodology allocates 14 of the top 15 highest shares of lower-income RHNA to jurisdictions with over 99.95 percent High and Highest Resource areas. With the exceptions of two jurisdictions, the 31 jurisdictions with the highest share of lower-income RHNA are all over 95 percent High and Highest Resource areas. Any weakening of these inputs to the methodology could risk not fulfilling the statutory objective to affirmatively further fair housing.

Several appeals argue that SCAG's RHNA allocation methodology does not adequately promote access to jobs and transit, as required in objectives two and three. HCD's review of SCAG's RHNA methodology found the allocation does further the environmental principles of objective two. SCAG's overall allocation includes significant weight related to the location of high-quality transit areas and the regional distribution of jobs that can be accessed within a 30-minute driving commutes. Regarding objective three, HCD's analysis as to whether jobs-housing fit was furthered by SCAG's draft methodology found that across all jurisdictions there is generally good alignment between low-wage jobs and lower-income RHNA, with all but 15 jurisdictions within a half percent plus or minus difference between their share of lower-income RHNA for the region and their percentage low-wage jobs for the region.

Several appeals are based upon the provision described in Government Code section 65584.05(b)(3), arguing that the COVID-19 pandemic represents a significant and unforeseen change in circumstances that will affect future population and job growth. Ensuring everyone has a home is critical to public health. Reducing and preventing overcrowding and homelessness are essential concerns for every community. The COVID-19 pandemic has only increased the importance that each community is planning for sufficient affordable housing.

Lastly, several appeals state that the Regional Housing Needs Determination (RHND) HCD provided to the SCAG region is too large. SCAG submitted an objection to the RHND at the appropriate time and through the appropriate process. HCD considered those objections and [determined the final RHND for 6<sup>th</sup> Housing Element Cycle for the SCAG region on October 15, 2019](#). There are no further appeal procedures available to alter the SCAG region's RHND for this cycle. Government Code section 65584.05(b) does not allow local governments to appeal the RHND during the 45-day period following receipt of the draft allocation.

HCD acknowledges that many local governments will need to plan for more housing than in the prior cycle to accommodate a RHND that more fully captures the housing need and as the statutory objectives of RHNA shift more housing planning near jobs, transit, and resources. The Southern California region's housing crisis requires each jurisdiction to plan for the housing needs of their community and the region. In recognition of this effort there are more resources available than ever before to support jurisdictions as they prepare to update their 6<sup>th</sup> cycle housing elements:

- SB 2 Planning Grants – \$123 million one-time allocation to cities and counties
- SB 2 Planning Grants Technical Assistance offered to all jurisdictions
- Regional and Local Early Action Planning Grants – \$238 million one-time allocation for local and regional governments
- SB 2 Permanent Local Housing Allocation – approximately \$175 million annually in ongoing funding for local governments to increase affordable housing stock

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Deputy Director, [megan.kirkeby@hcd.ca.gov](mailto:megan.kirkeby@hcd.ca.gov).



Megan Kirkeby  
Deputy Director



# City of Whittier

13230 Penn Street, Whittier, California 90602-1716  
(562) 567-9320 Fax (562) 567-2872 www.cityofwhittier.org

Electronically Transmitted to: [Housing@scag.ca.gov](mailto:Housing@scag.ca.gov)

December 10, 2020

RHNA Appeals Committee  
Southern California Association of Governments  
900 Wilshire Blvd, Suite 1700  
Los Angeles, CA 90017

**SUBJECT: City of Whittier's Comments on Appeals to the Sixth Cycle Regional Housing Needs Assessment (RHNA) Allocation**

Honorable Chair and Honorable Committee Members:

The City of Whittier ("City") appreciates the challenges that are inherent in allocating 1,341,827 housing units by the thousands (a 226% increase above the baseline 412,137 unit) to cities across Southern California, especially in built-out cities. However, the City is deeply concerned its housing allocation of 3,431 units from the State Department of Housing and Community Development ("HCD") and the Southern California Association of Government's ("SCAG") unit distribution methodology, along with recent housing legislation will fundamentally abridge the City's ability to develop effective land-use policies that are appropriate for managing the community's actual needs. The 878 units in the 5<sup>th</sup> cycle RHNA allocation has been increased by 290% to 3,431 units in the current 6<sup>th</sup> cycle. Particularly challenging in the 6<sup>th</sup> cycle, is the number of low and very low-income units (1,558) which combined with the moderate and above moderate unit totals forces unplanned and unnecessary residential densification of the community.

The affordable units are an unfunded mandate with very limited regional or State financial support for their development. Considering the affordable housing subsidies typically range from \$50,000 to \$250,000 per unit, the overall funding requirements could range from \$78,000,000 to \$390,000,000 which is clearly beyond the reach of the City of Whittier in that the City's general fund budget is just \$72,000,000 which already include \$2,000,000 annually to house the City's unsheltered residents in transitional housing. Additionally, the City only receives 7.5% of each property tax dollar to provide general services including police and library services.

The City is currently in the process of updating its Housing Element as well as the General Plan to incorporate the current RHNA allocation, so Whittier is acutely aware of the various housing needs as well as the potential obstacles, such as aging infrastructure and unplanned density, to creating the requisite housing within a city that

is essentially built out. The changes in the State's housing laws (SB 35, SB 166 and AB 1397) have created additional constraints for the agencies and may severely impact the City's ability to accomplish our regional and local housing goals.

Since development in Whittier began more than 130 years ago, the City is virtually built-out with little developable vacant land outside of its designated open space areas that are dedicated to accommodating existing and future residents. While the City has made significant efforts through its specific plans to densify existing corridors and districts, the majority of Whittier's remaining single-family residential neighborhoods cannot accommodate similar densification. Furthermore, the hills north of Whittier contain regional open space, sensitive habitat and wildlife areas that must be preserved in perpetuity. There are also significant infrastructure and water service constraints that impact Whittier's ability to produce significantly more housing. Although these facts may not be desirable, they must be pragmatically accounted for and mitigated by not further increasing Whittier's share of housing units contained in SCAG's 6<sup>th</sup> Cycle RHNA. The final RHNA allocation and methodology must be fair and equitable while reflecting the capacity for reasonable housing unit construction.

As with many other cities, the City is concerned about the current allocation, but an even greater concern is that additional units may be applied to the City if reallocated from cities that are successful in their appeals. To that end, the City believes the appeal process itself was unclear as to the potential ramifications to other cities and not fully understood.

Although we fully support the surrounding cities in their appeals, the potential for additional units being applied to the City would exacerbate the problems described herein and in Whittier's September 13, 2019 letter to SCAG.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffery S. Adams  
Director of Community Development

File

**From:** Christopher Koontz <Christopher.Koontz@longbeach.gov>  
**Sent:** Thursday, December 3, 2020 11:14 AM  
**To:** Regional Housing  
**Subject:** RHNA Appeals

**Categories:** Response Required, Record

Good morning,

The purpose of this email is to provide the City of Long Beach's position in regards to pending RHNA appeals before SCAG. The City of Long Beach seeks to meet its housing needs and obligations for the benefit of Long Beach residents and the region. Our allocation was extremely large and presents a planning and financing challenge for the City. Nonetheless we chose not to appeal our allocation because the allocation process was fair and transparent including taking the City of Long Beach's input into consideration.

We oppose and will not accept any transfer of additional allocation due to the pending appeals. We note that within our area, the Gateway COG, appeals are pending from Bellflower, Cerritos, Downey, Huntington Park, La Mirada, Lakewood, Pico Rivera, and South Gate. Each of these appeals should be evaluated by SCAG on the merits, however Long Beach opposes any transfer of allocation to our City. It would be inappropriate to transfer a further burden to Long Beach when we have already accepted a large allocation and have done more than many cities in the region to accommodate housing growth under the current RHNA cycle, including fully meeting our market-rate RHNA allocation.

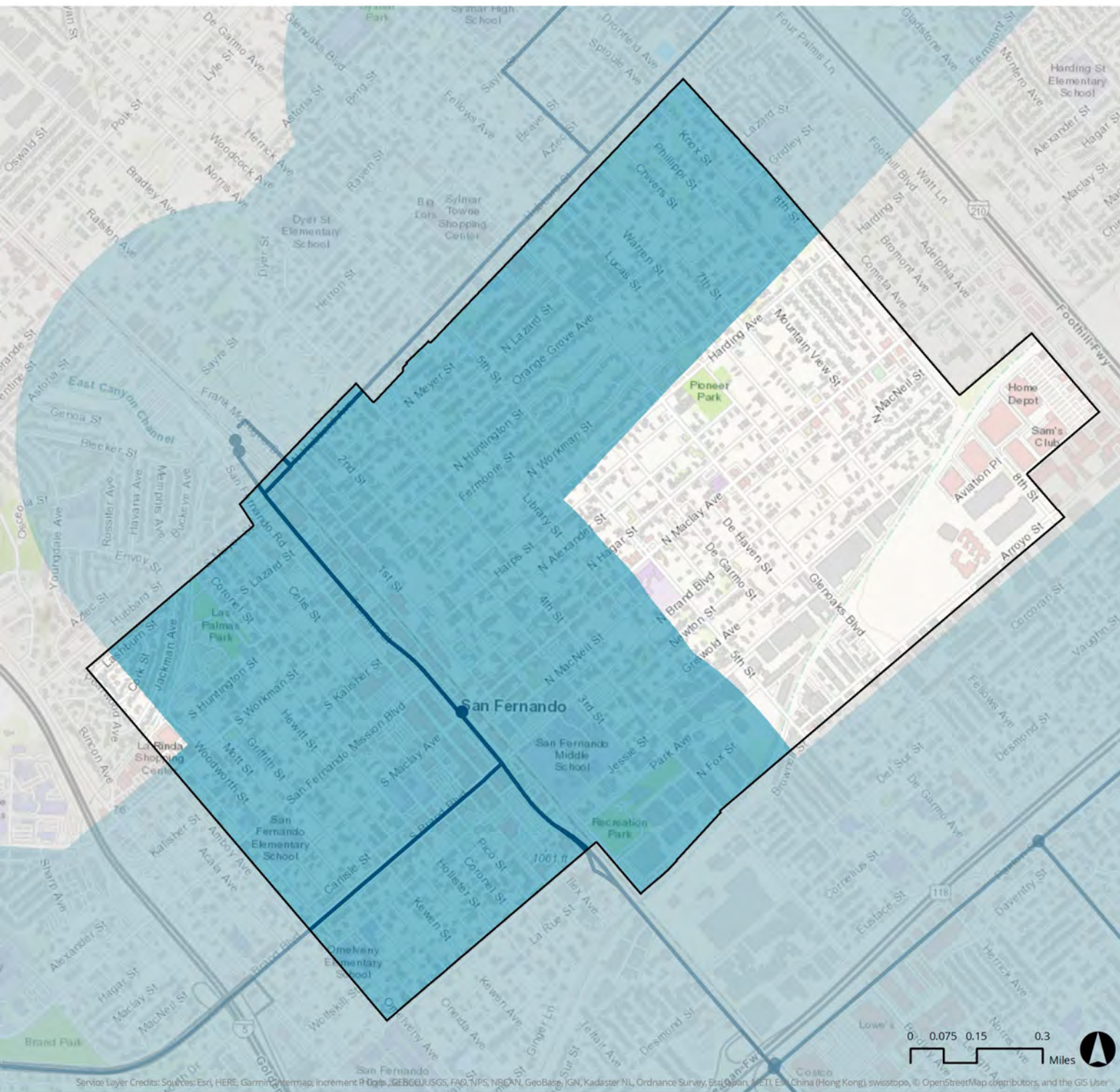
The City of Long Beach will continue to work with SCAG and our neighbor jurisdictions to address the housing needs of our residents.

We thank you for consideration and please do not hesitate to contact the City regarding our position.

Christopher Koontz, AICP  
*Deputy Director*

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## Major Transit Stops and High Quality Transit Areas in City of San Fernando [Year 2045]

- Major Transit Stops
- High Quality Transit Corridors (HQTCS)
- High Quality Transit Areas (HQTAs)

Note: SCAG identifies Major Transit Stops and High Quality Transit Corridors (HQTCS), and their surrounding areas in one-half mile radius distance as specified in Section 21155.(b)(3). Major transit stops and HQTCS are extracted from 2045 plan year data of Connect SoCal. SCAG's High Quality Transit Area (HQTA) is within one-half mile from Major Transit Stops and HQTCS and developed based on the language in SB375; however, freeway transit corridors with no bus stops on the freeway alignment do not have a directly associated HQTA. The RHNA process, per Section 65584 et seq., specifies that SCAG's housing needs allocation plan shall further several objectives including those related to infill development and jobs-housing balance. To that end, SCAG's Regional Council-adopted 6th Cycle Final RHNA Methodology relies on a jurisdiction's forecasted 2045 population within HQTAs to allocate housing need.

Data Source: SCAG, County Transportation Commissions, 2020 | Map Created: 10/22/2020

Disclaimer: The information shown on this map reflect jurisdiction's input submitted during the Local Input and Envisioning Process for the City of San Fernando. SCAG shall not be responsible for user's misuse or misrepresentation of this map. For the details regarding the sources, methodologies and data please refer to the SCAG Data/Map Book at [connectsocial.org/Pages/Local-Input-Process.aspx](https://connectsocial.org/Pages/Local-Input-Process.aspx) or contact [RTPLocalInput@scag.ca.gov](mailto:RTPLocalInput@scag.ca.gov).