



COMMUNITY DEVELOPMENT DEPARTMENT
"Promoting and Sustaining Quality Development"

400 S. Vicentia Avenue, Corona, California 92882
P (951) 736-2434
www.CoronaCA.gov

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Southern California Association of Government
900 Wilshire Blvd, Suite 1700
Los Angeles, CA 90017

sent via email:
housing@scag.ca.gov

RE: RHNA Allocation Methodology for the 6th Housing Element Cycle

Dear Ms. Johnson:

The City of Corona appreciates the opportunity provided by SCAG to comment on the proposed RHNA methodology for the 6th Housing Element Cycle. The city also understands that SCAG is requesting that jurisdictions provide feedback on the three methodology methods that were presented at the RHNA Subcommittee on July 22, 2019, and at the end of the public comment period, SCAG will be deciding on one of three methodologies to use in the upcoming 6th RHNA cycle for planning period 2021 through 2029.

On August 22, 2019, HCD issued a RHNA Determination of 1,344,740 total housing units to the SCAG region. This is significantly more than the housing units anticipated by SCAG when the RHNA methodologies were created. The housing unit allocation released by HCD to the SCAG region has a devastating effect on local jurisdictions, especially older jurisdictions with large populations. The land use and infrastructure development of older established jurisdictions like the City of Corona are reaching build out conditions and have limited land available for new housing units. In the case of 6th RHNA cycle and using SCAG's excel worksheet on the RHNA methodologies released in June 2019, the City of Corona would have a RHNA allocation of 7,417 housing units under Option 1, 9,550 housing units under Option 2 and 8,045 housing units under Option 3.

Based on the regional allocation issued by HCD to the SCAG region, the city strongly urges SCAG to appeal the RHNA allocation through the formal appeals process before deciding on the RHNA methodology. After reviewing the methodology options provided by SCAG, the City of Corona could not even identify enough available sites in the city to realistically accommodate 7,417 or 9,550 housing units in the next Housing Element cycle. This scenario likely occurs in other jurisdictions in the SCAG region. Therefore, the RHNA methodology used by HCD should be reviewed by SCAG to ensure the allocation of

housing units are not grossly overestimated and concentrated in the SCAG region.

It is also worth mentioning that with AB101/SB102 the RHNA allocation needs to be reasonable so that cities can achieve meeting the construction of new housing units. AB101/SB102 would financially penalize jurisdictions for not having an HCD compliant Housing Element. Under this bill if the Attorney General sues a city and the court finds that its Housing Element does not substantially comply with state law and the jurisdiction fails to bring the Housing Element into compliance, the following fine can be imposed:

- Within 12 months of the court's order: \$10,000 - \$100,000 per month,
- Within 15 months of the court's order: \$30,000 - \$300,000 per month,
- Within 18 months of the court's order: \$60,000 - \$600,000 per month and court may appoint a receiver/agent to bring the city's housing element into compliance.

If cities are physically incapable of having land available for new housing units especially if the allocation of housing units are grossly overestimated, this penalty can have a devastating financial impact on jurisdictions. Additionally, developers build houses according to market conditions and must have the necessary public infrastructure to support development. If the market does not support the costs associated with new housing or if the jurisdiction cannot provide the required service capacity, such as water or sewer, a developer will not build.

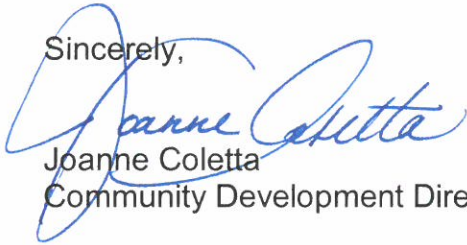
Based on the RHNA distribution by HCD, the city at this time does not support one specific option on the RHNA methodology. It is unclear at this time if SCAG intends on appealing the RHNA allocation and if SCAG is considering changing the RHNA methodology based on the allocation it has received from HCD. However, the city would support a RHNA methodology that includes the local input process such as using population growth rates within the jurisdiction and the accounting for recent building activity. The city also prefers the 150% social equity adjustment factor across all income categories. New development within projected HQTAs are changing because market rate housing is being built near transit. The City of Corona has a successful residential TOD recently built near the Metrolink commuter rail and this housing is similar to other TOD housing built in other jurisdictions throughout the region, such Riverside and Anaheim. Using the 110% social equity adjustment removes the above moderate income category because the assumption is that it will mitigate an overconcentration of lower income housing units from certain areas. The City of Corona does not find that to be the case given the current market and residents wanting access to high quality transit.

The city strongly encourages SCAG to appeal the RHNA allocation issued by HCD. The issued RHNA allocation has a severe impact on the City of Corona given its current built condition and the limited land available to plan for housing units that are realistically unachievable.

The city appreciates SCAG effort and time on this complex issue and certainly understands that creating a methodology that is fair and equitable for all the jurisdictions in the SCAG

region is challenging. The city looks forward to hearing how SCAG will be handling the RHNA allocation issued by HCD.

Sincerely,



Joanne Coletta
Community Development Director

Email: joanne.coletta@coronaca.gov

CC: Acting City Manager Mitch Lansdell
Mayor and City Council
City Attorney
WRCOG Executive Director