FONTANA
CALIFORNIA

October 26, 2020

Southern California Association of Governments
Attn: Kome Ajise, Executive Director
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017

Subject: City of Fontana Appeal of Draft Housing Unit Allocation for the Sixth Cycle Housing Element (2021-2029)

Dr. Mr. Ajise:

On behalf of our residents, in accordance with applicable Government Code provisions, The City of Fontana (City) hereby submits its appeal to the Southern California Association of Governments (SCAG) of SCAG's Final Draft Housing Unit Allocation (Final Draft Allocation), released September 3, 2020, which is based on the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021-2029) for the SCAG region (referred to herein as the Sixth Cycle) also adopted by the SCAG Board of Directors on that date.

A revision to the Final Draft Allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). This Appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy (SCAG's Connect SoCal Plan) developed pursuant to Government Code Section 65080(b)(2) as explained herein.

A. INTRODUCTION

The methodology used to determine the 6th Cycle RHNA allocation results in an increase in the number of housing units allocated to the City of Fontana from 5,977 units for the 5th cycle Housing Element to a proposed 17,477 units. The proposed dwelling unit allocation increase is based on flawed methodologies that conflict with the household growth determinations found within the SoCal Connect Plan and do not fully consider local planning factors unique to the City of Fontana.

Pursuant to Government Code section 65584.05, Fontana 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.

B. BASIS FOR THE CITY OF FONTANA APPEAL

A revision to the Final Draft Allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). In addition, this Appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy (SCAG's Connect SoCal Plan) developed pursuant to Government Code Section 65080(b)(2) as explained herein. This Appeal is based on the following grounds:

1. *METHODOLOGY - SCAG failed to determine Fontana'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). These objectives are:*

a. *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.*
b. *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.*
c. *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.*
d. *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.*
e. *Affirmatively furthering fair housing.*

2. *LOCAL PLANNING FACTORS AND INFORMATION AFFIRMATIVELY FURTHERING FAIR HOUSING - SCAG failed to consider information submitted by Fontana 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)*

3. *CHANGED CIRCUMSTANCES - That a significant and unforeseen change in circumstance has occurred in the Fontana after April 30, 2019 and merits a revision of the information previously submitted by the Fontana. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.*

The City hereby submits its appeal of the Draft Allocation, pursuant to Govt. Code Section 65584. 05. (Govt. Code Section 65584. 05(b).) As described in the introduction, the City is basing its appeal on the following criteria.

1	**Methodology**	SCAG 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 Section 65584(d).

The City of Fontana has several major constraints on existing lands that severely limit or restrict the City's ability to accommodate growth to the extent identified in the RHNA Allocations. SCAG provided the City with Regional Housing Needs Assessment (RHNA) Local Planning Factor Survey dated, April 29, 2019. This Survey is required by law for SCAG to allow jurisdictions to identify local planning factors (formerly known as "AB 2158 factors") prior to the development of a proposed RHNA methodology, per Government Code 65584.04 (b). Information collected from the survey is required to be included as part of the proposed RHNA methodology.

(a) METHODOLOGY - SCAG's proposed methodology is inconsistent with the household growth projections determined in the Connect SoCal Plan.
SCAG failed to adequately consider local household growth factors and utilized growth projections inconsistent with the SoCal Connect Plan.

According to SCAG's Connect SoCal Plan, Appendix 1- Demographics and Growth Forecast[1], The City of Fontana's household growth is forecasted to reach 77,800 in 2045 from 51,500 in 2016, a total growth of 26,300 over the 30-year period. Comparatively, the American Community Survey 2018 5-year estimates the City of Fontana currently estimates 55,561 households.

[1] Connect SoCal (2020 - 2045 Regional Transportation Plan/Sustainable Communities Strategy) Appendix 1, Table 14.

Table 1 shows a comparison between the annual household development projections in the SoCal Connect Plan and the City's RHNA allocation. When the SoCal Connect forecasted growth is amortized over the 2021-2029 planning period, it results in an annual household growth of 876 households. The RHNA forecast growth amortized over the same 8-year planning period results in a 2,185 housing unit per year growth, this results in an additional 1,308 housing units per year when amortized over the 8-year planning period. If the RHNA projections were accurate and the development was achieved, the City of Fontana would hit its 25-year projection growth needs in just 12 years; generating a level of growth unprecedented in the City, as well as creating negative impacts on the City's housing market and infrastructure.

TABLE 1: Comparison of Household Growth Rates (SoCal Connect vs. RHNA)

SoCal Connect Forecast Growth (2016-2045)	SoCal Connect Forecast Horizon Year	Average per year household creation	RHNA Estimate Total Growth Need	RHNA Forecast Horizon Year	Average per year household creation
26,300	2045	876	17,477	2029	2,185

The City of Fontana contends that the household formation assumed in the RHNA far exceeds any reasonable projection for growth during the 2021-2029 Housing Element planning period. SCAG's own 2045 growth forecast, stated in the SoCal Connect Plan is inconsistent and directly undermines the validity of Draft RHNA Allocation methodology assumptions.

The discrepancy demonstrates the RHNA allocation undermines Government Code Section 65584(d)(1) by failing to provide the distribution of units in an equitable manner. This is demonstrated by a household growth rate that is 2.5 times above SoCal Connect forecasts. The City of Fontana contends that a realistic estimate of future growth need should be directly tied to realistic projections of household formation, consistent with SCAG's own projections in the SoCal Connect Plan.

More recently, a Freddie Mac report (February 2020) indicates that "California has a shortage of 820,000 housing units", which is considerably lower than the 1.34 million provided by State HCD for the SCAG region alone. Since the SCAG region is 47.8% of the State's population per DOF's May 2020 E-5 estimates, the SCAG regional allocation would be closer to 392,075 units. If the regional need assumed by SCAG of 1,341,827 units is revised to 392,075, the City would be assumed to have a comparative draft RHNA of 5,106 units rather than the 17,477 units for the 6th Housing Element Cycle.

2	**Local Planning Factors**	SCAG failed to adequately consider the information submitted pursuant to Section 65584.04(b).

(a) LOCAL PLANNING FACTORS – 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.

The City of Fontana does not have adequate water supply capacity to accommodate development of their 2021-2029 RHNA. The City of Fontana relies on other agencies that have direct control over its water supply, including, The Fontana Water Company (FWC), Cucamonga Valley Water District (CVWD), and the West Valley Water District (WVWD). Service is Primarily provided by the Fontana Water Company

The City of Fontana's primary water provider, FWC, receives water supply from the following sources:

- Local Groundwater Basins (Chino Basin, Rialto-Colton Basin, Lytle Basin and No Man's Land Basin);
- Local Surface Water (Lytle Creek); and
- Imported surface water (State Water Project water from Inland Empire Utilities Agency (IEUA) and San Bernardino Valley Municipal Water District (SBVMWD))

In 2015, the FWC completed its Urban Water Management Plan (UWMP) with an amendment in 2017. The purpose of the UWMP is to provide a planning tool for FWC for developing and delivering municipal water supplies to FWC's water service area based on estimated growth, development and demand through 2040. The following information is from the FWC's current UWMP.

The Urban Water Management Planning Act requires every "urban water supplier" to prepare and adopt an UWMP, to periodically review its UWMP at least once every five years and make any amendments or changes which are indicated by the review.

Population projections for FWC's service area have been developed based on a methodology using 2010 U.S. Census data compiled by the Southern California Association of Governments (SCAG) using Traffic Analysis Zones (TAZs). Based on this methodology, the population for the service area is estimated to be 223,307 for 2015 and is estimated to grow to 271,690 by 2040. The UWMP also assumes 4.96 persons per connection or persons per households. As shown in the table below, the FWC service area, made primarily of the City of Fontana, is anticipated to add 23,408 residents between the years 2020 and 2030. Over ten years a project growth of 23,408 residents equates to about 2,340 persons per year, and at the UWMP's assumed rate of 4.96 persons per household, 472 dwelling units per year.

TABLE 2: UWMP – Retail: Population – Current and Projected

Population Served	2015	2020	2025	2030	2035	2040*(opt)*
	223,307	223,988	233,511	247,396	259,765	271,690
NOTES: 2015 population from DWR Population Tool. Projected data from SCAG Analysis (2015).						

Based on actual water demands for potable water for the year 2015, 17,754-acre feet (AF) were provided to single family residential units and 3,348 AF were provided to multi-family units. Overall, a total of 21,192 AF of potable water was provided to an estimated 223,307 persons or 45,022 households. The 21,192 AF delivered to residents of Fontana in 2015 equates to about 0.47 AF per residential connection, with majority of accounts attributed to single family units, or one dwelling unit. Overall water demand, including industrial, institutional and commercial, equated 39,964 AF.

TABLE 3: UWMP - Retail: Demands for Potable and Raw Water - Actual

Use Type	2015 Actual		
	Additional Description *(as needed)*	Level of Treatment When Delivered	Volume
Single Family		Drinking Water	17,754
Multi-Family	multi-family residential, duplex individually metered, public authority multi-family	Drinking Water	3,438
Institutional/Governmental	public authority	Drinking Water	2,918
Other	commercial/industrial	Drinking Water	6,455
Other	construction	Drinking Water	613
Other	unbilled unmetered (estimated as 1.25% of total supply--see Water Audit)	Drinking Water	437
Other	fire hydrants	Drinking Water	15
Sales/Transfers/Exchanges to other agencies	CVWD Intake- Summit	Drinking Water	8
Sales/Transfers/Exchanges to other agencies	CVWD Intake- Cherry	Drinking Water	16
Sales/Transfers/Exchanges to other agencies	delivered to FUWC irrigation customers	Drinking Water	35
Losses		Drinking Water	2,695
Other	delivered to Cemex	Raw Water	580
		TOTAL	34,964
NOTES: Volumes are in AF.			

Table 4 below shows the projected demand and supply during normal years. To reflect the lasting impacts of the recent drought conditions on future water demands, the projected water use for 2020 was calculated based on the average overall gallons per capita day (GPCD) from 2014 to 2015 (156 GPCD). According to the data in the table below, single family and multifamily residential combined are projected to use 23,806 AF in the year 2020, increasing to 29,753 AF in the year 2030, increasing the estimated AF per connection to .57. Overall, potable and raw water demand for 2030 is 48,773 AF.

TABLE 4: UWMP – Demands for Potable and Raw Water - Projected

Use Type	Additional Description *(as needed)*	Projected Water Use *Report To the Extent that Records are Available*				
		2020	2025	2030	2035	2040-opt
Single Family		19,944	23,511	24,926	26,188	27,404
Multi-Family	multi-family residential, duplex individually metered, public authority multi-family	3,862	4,553	4,827	5,071	5,306
Institutional/Governmental		3,278	3,864	4,097	4,304	4,504
Other	commercial/industrial	7,251	8,548	9,063	9,522	9,964
Other	construction	689	812	861	904	946
Other	unbilled unmetered (estimated as 1.25% of total supply--see Water Audit)	491	579	614	645	675
Other	fire hydrants	17	20	21	22	23
Losses		3,028	3,569	3,784	3,975	4,160
Other	raw water	580	580	580	580	580
	TOTAL	39,140	46,036	48,773	51,211	53,562
NOTES: Volumes are in AF.						

Table 5 shows total water demand for the FWC service areas including both potable and raw water as well as recycled water demand. Total water demand, including residential, commercial, institutional, and industrial, for the year 2030 is 50,773 AF.

TABLE 5: UWMP – Retail: Total Water Demands

	2015	2020	2025	2030	2035	2040 *(opt)*
Potable and Raw Water *From Tables 4-1 and 4-2*	34,964	39,140	46,036	48,773	51,211	53,562
Recycled Water Demand* *From Table 6-4*	0	1,000	1,500	2,000	2,500	3,000
TOTAL WATER DEMAND	34,964	40,140	47,536	50,773	53,711	56,562
NOTES: Volumes are in AF; table references refer to DWR table numbers.						

The water supply for 2030, considering population and development growth, is a projected 50,773. Based on **Table 5** above and **Table 6** below, in a normal year the FWC estimates that water supply can provide the exact amount of water required to suffice projected demand over the next ten years, assuming an increase of 2,340 persons per year, or 472 households.

TABLE 6: UWMP – Retail: Water Supplies – Projected

Water Supply	Additional Detail on Water Supply	Projected Water Supply *Report To the Extent Practicable*									
		2020		2025		2030		2035		2040 (opt)	
		Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)	Reasonably Available Volume	Total Right or Safe Yield (optional)
Purchased or Imported Water	IEUA	10,000		12,000		12,000		12,000		12,000	
Purchased or Imported Water	SBVMWD	2,000		2,000		2,000		2,000		2,000	
Groundwater	Chino Basin	9,920		10,416		13,153		15,591		17,942	
Groundwater	Rialto-Colton Basin	2,520		2,520		2,520		2,520		2,520	
Groundwater	Lytle Basin	5,000		9,400		9,400		9,400		9,400	
Groundwater	No Man's Land Basin	4,000		4,000		4,000		4,000		4,000	
Surface water	Lytle Creek	5,700		5,700		5,700		5,700		5,700	
Recycled Water		1,000		1,500		2,000		2,500		3,000	
	Total	40,140	0	47,536	0	50,773	0	53,711	0	56,552	0

Additionally, there is evidence that a warming trend that occurred during the latter part of the twentieth century will likely continue through the twenty-first century. These changes will have a direct effect on water resources in California, and numerous studies have been conducted to determine the potential impacts to water resources. Based on these studies, climate change could result in the following types of water resource impacts to California:

- Reductions in the average annual snowpack due to a rise in the snowline and a shallower snowpack in the low and medium elevation zones, such as in the Tuolumne River basin, and a shift in snowmelt runoff to earlier in the year;
- Changes in the timing, intensity and variability of precipitation, and an increased amount of precipitation falling as rain instead of as snow;
- Long-term changes in watershed vegetation and increased incidence of wildfires that could affect water quality;
- Sea level rise and an increase in saltwater intrusion;
  Increased water temperatures with accompanying potential adverse effects on some fisheries and water quality;
- Increases in evaporation and concomitant increased irrigation need; and
- Changes in urban and agricultural water demand.

Table 7 shows projected in supply in a single dry year to multiple dry years, up to three. In just one dry year, the FWC cannot provide sufficient water to meet the demands of the service area. For example, for the year 2030, where total projected demand is 50,773, with a single dry year the FWC can supply a total of 37,945 AF.

TABLE 7: UWMP – Project Water Supplies in Single Dry Years and Multiple Dry Years

	Groundwater Supplies						Surface Water Supplies	Imported Water Supplies		Recycled Water Supplies	
Year	Chino Basin[a]	Rialto-Colton Basin	No Man's Land Basin	Lytle Basin	Sub Total Groundwater	Percentage Groundwater of Total Supply	Lytle Creek	IEUA	SBVMWD	Recycled	Total[b]
Projected Single Dry Year											
2020	7,268	2,520	4,000	5,000	18,788	62.6%	1,710	7,500	1,000	1,000	29,998
2025	6,395	2,520	4,000	9,400	22,315	62.8%	1,710	9,000	1,000	1,500	35,525
2030	8,315	2,520	4,000	9,400	24,235	63.9%	1,710	9,000	1,000	2,000	37,945
2035	10,011	2,520	4,000	9,400	25,931	64.6%	1,710	9,000	1,000	2,500	40,141
2040	11,641	2,520	4,000	9,400	27,561	65.2%	1,710	9,000	1,000	3,000	42,271
Projected Multiple Dry Year 1											
2020	16,027	2,520	4,000	4,000	26,547	70.3%	1,710	7,500	1,000	1,000	37,757
2025	17,464	2,520	4,000	7,520	31,504	70.5%	1,710	9,000	1,000	1,500	44,714
2030	20,009	2,520	4,000	7,520	34,049	71.3%	1,710	9,000	1,000	2,000	47,759
2035	22,273	2,520	4,000	7,520	36,313	71.9%	1,710	9,000	1,000	2,500	50,523
2040	24,454	2,520	4,000	7,520	38,494	72.4%	1,710	9,000	1,000	3,000	53,204
Projected Multiple Dry Year 2											
2020	14,732	2,520	4,000	4,000	25,252	69.3%	1,710	7,500	1,000	1,000	36,462
2025	15,930	2,520	4,000	7,520	29,970	69.4%	1,710	9,000	1,000	1,500	43,180
2030	18,370	2,520	4,000	7,520	32,410	70.3%	1,710	9,000	1,000	2,000	46,120
2035	20,540	2,520	4,000	7,520	34,580	70.9%	1,710	9,000	1,000	2,500	48,790
2040	22,629	2,520	4,000	7,520	36,669	71.4%	1,710	9,000	1,000	3,000	51,379
Projected Multiple Dry Year 3											
2020	8,268	2,520	4,000	4,000	18,788	62.6%	1,710	7,500	1,000	1,000	29,998
2025	8,275	2,520	4,000	7,520	22,315	62.8%	1,710	9,000	1,000	1,500	35,525
2030	10,195	2,520	4,000	7,520	24,235	63.9%	1,710	9,000	1,000	2,000	37,945
2035	11,891	2,520	4,000	7,520	25,931	64.5%	1,710	9,000	1,000	2,500	40,141
2040	13,521	2,520	4,000	7,520	27,561	65.2%	1,710	9,000	1,000	3,000	42,271

[a] Calculated as difference between total and constrained supply sources
[b] Set equal to projected demands

Based on the information provided and the assumptions made in the FWC's UWMP regarding water supply, the City's RHNA Allocation represents a dwelling unit growth that would exceed the City's available water supply by each year by 3,302 AF in the year 2030. **Table 8** shows the City's assumptions within the UWMP compared to the dramatically increased density that would result from development of the units in the City's proposed RHNA allocation. The discrepancy demonstrates the RHNA allocation undermines Government Code Section 65584(d)(2)(A) by failing to provide the distribution of units in an equitable manner. The City of Fontana contends that a realistic estimate of future growth need should be directly tied to the realistic water capacity available within to the City of Fontana as described in the City's Urban Water Management Plan.

TABLE 8: Comparison of Water Demand (UWMP vs. RHNA)

Growth Assumption	Anticipated Dwelling Unit Growth per year (DU)	Projected 2020-2030 Increase in Water Demand for Residential (AF)	2030 Total Anticipated Demand Including All Uses (AF)	2030 Capacity
Fontana Water Company UWMP	472	10,633	50,773	50,773
City's 2021-2029 RHNA Allocation	2185	12,892	53,032	50,773

(b) LOCAL PLANNING FACTOR - SCAG's methodology failed to consider a lack of sewer availability, as stated in the City's Local Planning Factor Responses.

Inland Empire Utilities Agency (IEUA) is a regional wastewater treatment agency and wholesale distributor of imported water and operates four Regional Water Recycling Plants (RPs). IEUA is the wastewater authority and recycled water producer in FWC's service area. IEUA's RP-4 treats local wastewater generated by the City of Fontana. IEUA's four RPs have a total combined design treatment capacity of approximately 86 MGD. Currently, all four reclamation facilities treat a total combine average daily flow of about 60 MGD. Local sewer systems are owned and operated by local agencies.

IEUA's RP-4 is responsible for treating local wastewater generated by the City of Fontana and is located near the intersection of Etiwanda Avenue and 6th Street in the City of Rancho Cucamonga. RP-4 treats an average flow of 5 MGD of wastewater and is operated in conjunction with RP-1 to provide recycled water to users. RP-4 was recently expanded to a capacity of 14 MGD.

TABLE 9: UWMP - Retail: Wastewater Collected Within Service Area, 2015

Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated?	Volume of Wastewater Collected from UWMP Service Area 2015	Name of Wastewater Treatment Agency Receiving Collected Wastewater	Treatment Plant Name	Is WWTP Located Within UWMP Area?	Is WWTP Operation Contracted to a Third Party? (optional)
City of Fontana	Metered	11,425	Inland Empire Utilities Agency	IEUA RP-4	No	
City of Fontana	Metered	330	City of Rialto	City of Rialto WWTP	No	
Total Wastewater Collected from Service Area in 2015:		11,755				
NOTES: Volumes are in AF.						

However, much of the City's population is not served but this sewer system but rather by septic tanks. In 2017, nearly 12,000 parcels, representing about 40,000 people, that are not connected to sewer service. The City of Fontana accounted for more than half of the septic service connections in the 242-square-miles service area if IEUA.[2] Such a large reliance on septic services raises environmental concerns such as groundwater contamination, inabilities to recapture water for secondary uses, and health concerns for surrounding communities.[3]

[2] https://www.sbsun.com/2017/06/12/why-fontana-is-working-to-expand-sewer-system-to-boot-out-septic-tanks/

[3] https://longislandsoundstudy.net/wp-content/uploads/2010/03/fact13.pdf

The City of Fontana has a lack of infrastructure for water lines which is controlled by five (5) other water companies that include Fontana Water, West Valley Water, Cucamonga Valley Water, Marygold Mutual and Crawford Canyon Mutual Water Districts. Additionally, the City's 2011/2012 through 2017/2018 Capital Improvement Plan (CIP) identified two sewer improvement and replacement projects, however did not identify available funding. The 2014/2015 to 2021/2022 updated CIP expected a significant portion of unfunded projects to be funded by the Redevelopment Agency. The CIP identified $202,270 required funds to complete sewer improvements and updates, however the City only have $61,789 available funds for such projects.

The projected growth provided by the City's RHNA would outpace the City's ability to provide adequate infrastructure to new development. The City's existing septic system is a legacy of annexation of home into the City. The annexed areas are not connected to the City's sewer system creating unavoidable challenges for new development in appropriate areas which might be suitable for development. Additionally, a lack of available infrastructure creates challenges in subdividing property for infill development or increased density as well as direct constraints to potential new development where septic systems are not adequate and sewer connections would be required per the State Water Quality Control Board. The City of Fontana contends that a realistic estimate of future growth need should be directly tied to the amount of land within the City of Fontana suitable for urban development that is connected to adequate infrastructure.

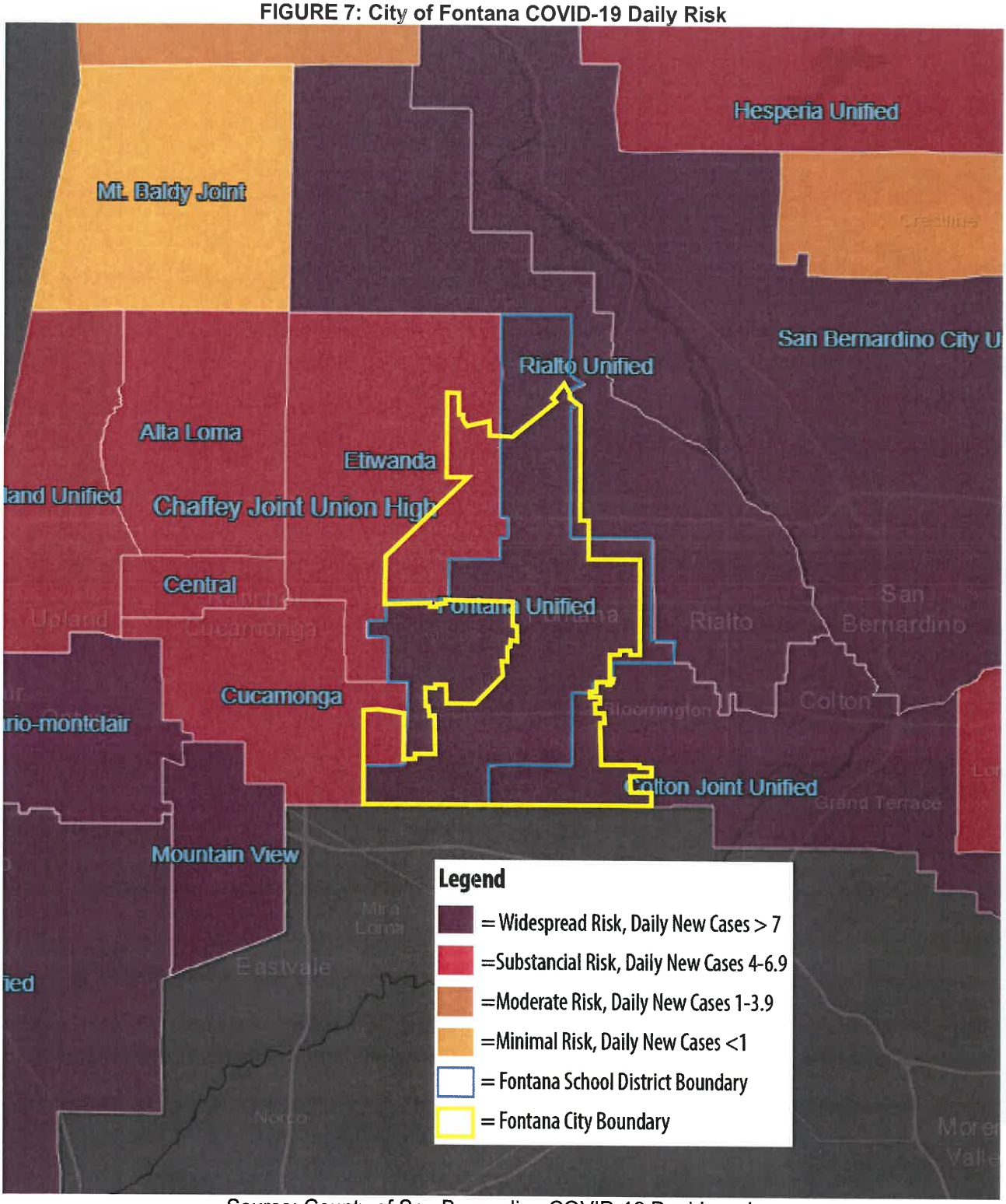
3	**Changed Circumstances**	A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to Section 65584. 04(b).

(a) CHANGED CIRCUMSTANCES - The novel coronavirus (COVID-19) presents an unforeseen changed circumstance that has severely impacted the City of Fontana, the current and future housing market and impacted the development capacity of the private market to create housing within Fontana.

The San Bernardino County Public Health Officer and the Board of Supervisors declared a local health emergency on March 10, 2020 to help ensure county government and the public were prepared for the possibility that COVID-19 would appear within the county. Following the County's declaration of a local emergency, on March 19, 2020, the State Public Health Officer issued an order directing all individuals living in the State of California to stay at home except as needed to facilitate authorized activities or to maintain the continuity of operations of critical infrastructure sectors. By July 1, 2020, confirmed cases in the County of San Bernardino had reached 12,746, with a total of 57,203 confirmed cases in October 2020.

Within the City of Fontana, there have been a total 3,560.5 total cases per 100,000 estimating roughly 3,522 cases per community. The City has some of the highest rates of Covid-19 cases in the County, aside from the Cities of Bloomington, Chino, Colton, Ontario, Rialto and San Bernardino City. The Map below displays the current risk (October 2020) in the City of Fontana based total cases, including total cases, outbreak cases, community cases, and youth cases.

FIGURE 7: City of Fontana COVID-19 Daily Risk



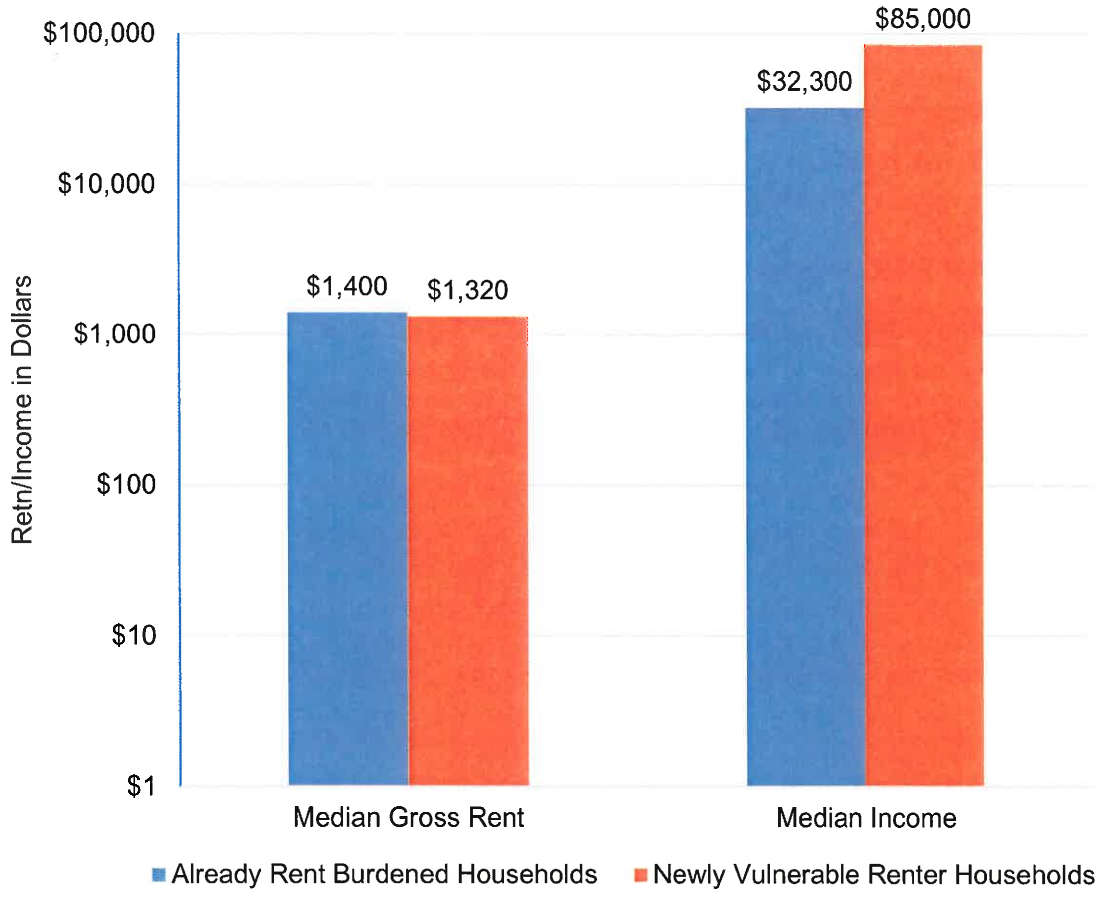
Source: County of San Bernardino COVID-19 Dashboard

According to County wide data, as show in the **Figure 7** above, Fontana has a total of 6,187 cases, 176 outbreak cases, and 737 youth cases (ages 5-19). The relative impacts of COVID-19 on the existing and future housing needs within Fontana are not known at this time, but it may influence short-term and long-term housing policy and program considerations within the community. The City acknowledges the substantial impact that this pandemic has had and will continue to have on the local economy, the ability to develop housing within Fontana, and the City's financial ability to assist in lower income housing production.

According to July 2020 research completed by the Pew Research Center[4] found that around one-in-ten adults ages 18 to 29 (9%) say they moved (either permanently or temporarily) due to the coronavirus outbreak. This was due in part to job losses and the shutdown of college housing. A report done by the Terner Center for Housing Information the University of California Berkeley, estimate the economic impacts of COVID on renters. Using 2018 American Community Survey microdata, the report identified renter households with at least one worker in an industry likely to be affected by the immediate economic impacts of social distancing and stay-at-home orders.[5] The study found:

- Nearly 16.5 million renter households have at least one worker in an industry likely to be immediately affected by efforts to flatten the curve in the COVID-19 pandemic.
- Among likely-impacted renter households, more than 7.1 million were already experiencing housing cost burdens and are likely to be especially vulnerable.
- Renters in high-cost metro areas are especially likely to struggle with rent shortfalls.

FIGURE 8: Renter Households Impacted by COVID - the Riverside-San Bernardino- Ontario MSA.



The data gathered in the report identified 1,161,200 rent burdened households in the state of California, and 96,700 already rent burdened households in the Riverside-San Bernardino- Ontario MSA. Additionally, the report identified 1,183,600 newly vulnerable renter households in the State and 92,500 newly vulnerable

[4] https://www.pewresearch.org/fact-tank/2020/07/06/about-a-fifth-of-u-s-adults-moved-due-to-covid-19-or-know-someone-who-did/

[5] https://ternercenter.berkeley.edu/blog/estimating-covid-19-impact-renters

households in the Riverside-San Bernardino- Ontario MSA. **Figure 8** above displays median income and median gross rent of both existing rent burdened households and newly vulnerable households for the Riverside-San Bernardino- Ontario MSA. The report found that as the economic landscape shifts, renters who are already experiencing cost burden or are newly vulnerable, may need to leave high cost cities or turn to multi-generational living arrangements.

The long-term impacts of COVID-19 on local and regional housing trends is unknown, it is clear that a larger than normal segment of the population is leaving their housing situation to join with another household or is unable to make rent payments due to financial hardships. As the region continues to battle with controlling the spread of COVID-19, the continued economic hardships presented by the virus on homeowners, renters, cities, and developers will likely lead to a decreased demand for housing and a higher percentage of co-habiting households.

Additionally, while renters and homeowners alike are financially affected by the pandemic changing the housing and economic landscape, population projections in the Unites States are expected to decrease substantially. According to the World Economic Forum, economists are predicting significant negative impacts on GDP, jobs growth and even population sizes.[6] The report states that, according to projections released by the Congressional Budget Office, the predicted population of the U.S. over the next two and a half decades is expected to be substantially impacted by COVID-19. The new 2020 number of a predicted 374 million people living in the U.S. by 2046 is a revision of the 2018 estimate of 384 million. A big factor in the new number is that economists expert birth rates in the country to decline, correlating with higher unemployment rates and an increase in anxiety within the country associated with the pandemic and economic consequences.[7]

Due in part to the COVID-19 pandemic, the state of California is experiencing population growth rates at historically low levels. Recent downward revisions by the Department of Finance illustrates the rate of population growth rate throughout California is slowly and a faster rate anticipated. In the last three years, the state has experienced the lowest population growth rates on record since 1900. Population growth is directly tied to household formation. The flattening of the population growth curve is contrary to the rate of growth identified in the Final Draft RHNA allocation.

COVID-19 presents an unforeseen circumstance which will likely result in Fontana and the State of California as a whole drastically and incorrectly reshaping the housing landscape in an effort to meet RHNA needs as opposed to organically in response to market trends. The impacts to the economy of the City and consequently to the housing market are profound and should be a consideration when evaluating realistic development potential over the 8-year RHNA planning period.

C. CONCLUSION

The City of Fontana is committed to accommodating the existing and future needs of its residents. While we are committed to contributing to our collective local, regional and state needs for housing, we have demonstrated that the City's Draft RHNA Allocation is unrealistic, overtly excessive and based on faulty assumptions that will result is negative impacts for existing and future residents. Therefore, the City, respectfully objects to the Final Draft RHNA Allocation and methodology used and requests the RHNA Allocation be revised so that it fulfils the objectives identified in the Government Code.

Pursuant to Govt. Code Section 65584.05(b), the City of Fontana states the following revisions to the Final Draft RHNA Allocations are necessary to further the intent of the objectives stated in Govt. Code Section 65584(d). **Table 14** illustrates recommended modifications.

[6] https://www.weforum.org/agenda/2020/10/united-states-population-predictions-graph-millions-change/

[7] https://www.statista.com/chart/23088/population-projections-fall/

The City has determined that a total equitable RHNA allocation is based on the following reductions in the current draft allocations:

TABLE 14: Recommended Reduction of RHNA Allocation

Basis of Fontana Appeal	Reduction of RHNA Allocation
1. SCAG's proposed methodology is inconsistent with the household growth projections determined in the Connect SoCal Plan.	-7,008 units
2. The draft methodology fails to adequately and equitably address local factors.	-3,232 units
3. The novel coronavirus (COVID-19) presents an unforeseen changed circumstance that has severely impacted the City's financial status and impacted the development capacity of the private market to create housing within Fontana.	-323 units
Total	**- 10,563 unit reduction**

The City of Fontana recommends the following RHNA allocation by income category:

TABLE 15: Recommended RHNA Allocation by Income Category

Income Category	Draft SCAG RHNA Allocation	Fontana Recommended RHNA Allocation
Very Low	5,096 Units	2,016 units
Low	2,943Units	1,164 units
Moderate	3,029 Units	1,198 units
Above Moderate	6,409 Units	2,535 units
TOTAL	**17,477 Units**	**6,914 Units**

Respectfully Submitted,

Mark Denny
City Manager

cc: City Council Members, City of Fontana
Ruben Duran, City Attorney
Zai AbuBakar, Director of Community Development
DiTanyon Johnson, Senior Planner