From: Holly Osborne ███████████████████████
Sent: Wednesday, February 26, 2020 10:02 AM
To: Ma'Ayn Johnson <johnson@scag.ca.gov>; Kevin Kane <kane@scag.ca.gov>
Cc: phuang@yorbalindca.gov; Contreras, Torrey <tcontreras@cerritos.us>; Kome Ajise <ajise@scag.ca.gov>
Subject: Remarks on Monday's meeting, and a hybrid solution

Dear Ma'Ayn and Kevin:

As you know, I was at the meeting on Monday where the 33/33/33 algorithm was presented. (I was also at the meeting Nov 7 where the Riverside algorithm was presented,)

I would like to propose **a hybrid solution** to resolve the conflict on which algorithm to use.
1) Let Los Angeles and Orange Counties use the 33/33/33 algorithm to compute RHNA.
2) Let Ventura, Riverside, San Bernardino and Imperial Counties use the Riverside algorithm.

(Do not change the data base for either algorithm. Let both algorithms be run over the full data base.)

Now if this is done, the total RHNA will be roughly 100,000 short. I propose to NOT re-allocate that 100,000 back to the cities; and not try to scale the results up to 1.34 million. **You, SCAG, can be part of the solution by proposing to HCD to accept that the RHNA be roughly 1.24 million instead of .34 million.** Since the governor has already stated that his initial allocation was a stretch, a 100,000 reduction in the total is not very significant

Now let me explain why I propose this.

Because the cities are so different, trying to use one algorithm for the whole SCAG region will produce some blatant mathematical absurdities. Let me explain:

One algorithm (the 33/33/33), which has a **growth rate componen**t, **is more appropriate for cities with have a lower growth** rate, (which are mostly very dense)   It is suitable for LA and Orange counties. However, when this algorithm is applied to cities that have recently grown rapidly, and you apply th**at rate of growth over a long period of time (25 years)** the algorithm can provide large unrealistic numbers for RHNA. *   This "absurdness" has not been so obviously apparent in the past, because you were not trying to project over 25 years, but only 8. It is the fact that you are projecting over a longer period of time, but not scaling back the growth rate over the time, which makes the projections meaningless. This is why the inland (sparse) cities do not like it.

The second algorithm, the Riverside algorithm, (0/50/50) is largely based on population share. This algorithm inherently assumes that all cities have infinite room to grow. That is a mathematically absurd assumption, but it "works" if the cities are not very dense, and will not come close to their limit over the projected growth period. . But cities which are very dense (and therefore have a larger population share, in proportion to their size) continue to receive a disproportionately large share of the RHNA.

You could try and modify, and modify, and re-modify the algorithm to take care of all these cases. Or you can simply use the two algorithms that you have, which many people have worked hard over… No, it is not quite as mathematically "elegant" as one algorithm, but it could work.

And this hybrid-solution should mollify the cities that felt they have been blindsided.

It is in all our best interests to come up with a solution that the cities feel has technical merit, so that they can get behind it to work to solve the housing crisis.

Thank you for all your hard work.

Sincerely,
Holly Osborne. PhD, PE
Redondo Beach, CA

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* PS: Kevin and Ma'Ayn: I had initially inserted here: "One blatant example of this was when it was pointed out that Coachella, which supposedly has only 7000 dwellings, was assigned 14,000 more dwellings for RHNA by the 33/33/33 algorithm. Of course this is absurd."

This remark about Coachella was made by a gentleman from an offsite location, and that is what I thought he said, But, when I went back to your Appendix to check out the numbers, I found out the statement about Coachella having 7000 dwellings was not correct. On page 2 of your Appendix, you have that the number of housing units in Coachella in 2016 is 9604, and for 2020 is 14227.   I wanted to check this on tape, to make sure I had taken my notes accurately, but I could not find the tape (at 4:00 AM in the morning...)

The reason this is so troubling is, that I felt, listening to the discussions, that the panel was leaning to the Cerritos 33/33/33 plan. But when that man made the remarks about Coachella having only about 7000 units currently, the whole mood turned, because the RHNA seemed so ridiculous.

If the panel was indeed swayed by an inaccurate statement, that is a matter of deep concern, and another reason to keep the 33/33/33 algorithm.

OK, I don't like writing this when I can't check the tape. **But I think it is so important to get the hybrid approach on the table for the March 5th meeting**, and it is after 4:00 AM, and I do not want to think about this anymore...

HO