

Meg Healy

From: Holly Osborne <hcosborne72@yahoo.com>
Sent: Wednesday, March 4, 2020 2:40 PM
To: Regional Housing
Subject: Remarks for tomorrow's meetings from Holly Osborne
Attachments: RHNA Final Remarks March-5_2020.docx

Dear Housing:

Enclosed is a copy of the remarks I intend to make at the RHNA meetings on Thursday. Please post them on the appropriate web site. (I will bring copies to the meeting as well, since I refer to charts with numbers on them.)

Thank you

Holly Osborne

Remarks to RHNA Meetings on March 5, 2020 from Holly Osborne, Ph.D, PE, Redondo Beach (*corr. 3/5/2020***)

Last time (Feb. 24, 2020), a compromise RHNA algorithm, denoted the 33/33/33 split algorithm, was proposed by the City of Cerritos. This was to be a compromise between the original RHNA algorithm adopted in Oct 2019 and the Riverside algorithm unexpectedly adopted in Nov 2019.

The fundamental issue is that an algorithm that works bests for cities with very HIGH density and LOW growth (such as LA and Orange County) does not work well with cities that are the opposite, with LOW density and HIGH growth, such as many inland cities in Riverside, San Bernardino, Imperial and Ventura counties. The original algorithm adopted by SCAG (Oct. 2019) worked best for high density cities nearer the coast; the low density cities did not like it, and came up with their own algorithm (Nov. 2019).

I would like to propose what I call a hybrid solution. Before I do that, let me provide some summaries by counties, of the original two algorithms: these are in the first and last data columns below:

County Totals:	10/7 Original baseline (50,25,25)*	33/33/33* Cerritos, updated by SCAG Feb. 27	Riverside (0,50,50)* Nov 7; updated Feb 24	City type:
Orange	145,625		183,425	<i>high density</i>
Los Angeles	712,096		813,071	<i>high density</i>
Ventura	27,593		24,398	<i>low density</i>
Riverside	250,645		167,191	<i>low density</i>
San Bernardino	184,203		137,796	<i>low density</i>
Imperial	21,676		15,953	<i>low density</i>

TOTAL	1,341,838		1,341,834	
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*(x,y,z means x% based on growth, y% based on HQTA, z% based on job proximity)

Each algorithm supports a total 1.34 million RHNA goal.

You can see why the inland, sparsely settled counties prefer the Riverside algorithm.

You can see why the dense counties of LA and Orange county prefer the original algorithm.

**Typos in notes on tables on page 3, corrected in *brown*. No Numbers were affected)

Last time, the city of Cerritos proposed an algorithm, called the 33/33/33 split. It is shown in the middle column.¹ The RHNA it computes, as totaled by cities within a county, is between the two extremes of the other two algorithms. It also totals 1.34 million.

County Totals:	10/7 Original baseline	33/33/33 Cerritos, updated by SCAG Feb. 27	Riverside (0,50,50) Nov 7; updated Feb 24	
Orange	145,625	152,816	183,425	<i>high density</i>
Los Angeles	712,096	769,315	813,071	<i>high density</i>
Ventura	27,593	25,949	24,398	<i>low density</i>
Riverside	250,645	210,313	167,191	<i>low density</i>
San Bernardino	184,203	163,677	137,796	<i>low density</i>
Imperial	21,676	19,766	15,953	<i>low density</i>
TOTAL	1,341,838	1,341,836	1,341,834	

This algorithm was meant to be a compromise, but the cities that supported the Riverside algorithm did not like it. Meanwhile, The LA and OC cities felt that a “fast one” had been pulled on them at the Nov 7 meeting, since the baseline algorithm initially adopted by SCAG was switched to the Riverside algorithm, by heavily populating the meeting with pro-Riverside forces. There were and are a lot of unhappy cities.

The problem here is that we do not have a one-size-fits-all algorithm. We have two algorithms, and each works better in the cities for which it was designed to work. In essence, I am saying that BOTH algorithms are good, and **BOTH sets of cities are right to support an algorithm which best predicts their needs and capabilities.**

What to do? I propose a **HYBRID ALGORITHM** solution. For this solution, let the LA and OC cities use an algorithm close to the Oct 7 baseline², and let the other counties use the Riverside algorithm. (The total RHNA will not equal 1.34 million., I will discuss that.)

Below is a **Hybrid** of the original Oct 7 baseline with the Riverside Algorithm, the total is 1.203 million

Hybrid of 10/7 and Riverside				
County Totals:	10/7 algorithm	33/33/33 Alg.	Riverside (0,50,50)	City type
Orange	145,625			high density
Los Angeles	712,096			" "
Ventura			24,398	low density
Riverside			167,191	" "
San Bernardino			137,796	" "
Imperial			15,953	" "
TOTAL	857,721		345,338	1,203,059

(One could also propose a hybrid of the Cerritos algorithm and the Riverside, which I mentioned in my letter; this would be a “two-fold” compromise. Here the total is 1.267 million)

Hybrid 33/33/33 and Riverside				
County Totals:	10/7 algorithm	33/33/33	Riverside (0,50,50)	City type
Orange		152,816		high density
Los Angeles		769,315		" "
Ventura			24,398	low density
Riverside			167,191	" "
San Bernardino			137,796	" "
Imperial			15,953	" "
TOTAL		922,131	345,338	1,267,469

Now I know that the compromise totals do not equal 1.34 million. But I do not believe 1.34 should be a sacred number technically, in light of the governor’s comments that his original RHNA goal was a stretch.⁴

More importantly the cities need to be behind the methodology; and they need to believe that the algorithms are technically sound, and that the algorithm was fairly selected. This feeling can be restored if the SCAG and the Mayor of Los Angeles can work together to convince HCD to support a 1.2 million goal.

Now, I want to propose another type of hybrid. And this is not on a county basis but **on a city basis. Let each city select its own algorithm!** The first data column below shows the county RHNA totals when each city in the county is allowed to select a “minimum” of the Riverside and the 10/7 algorithm; the right most data column is a “minimum” of the Riverside and the Cerritos algorithm.

The totals are not that different than the above for the hybrid algorithm on a county wide basis; those totals are repeated at the bottom.

Min of Riverside and 10/7 (first col)
 Min of Riverside and 33/33/33 Second Column)

	10/7	
County Totals:	algorithm	33/33/33
Orange	141,054	151,432
Los Angeles	694,522	756,981
Ventura	24,398	24,276
Riverside	166,965	165,809
San Bernardino	137,120	136,722
Imperial	15,953	15,953

TOTAL for "min"	1,180,012	1,251,173	City-based hybrid
(Hybrid)	1,203,059	1,267,469	County-based hyb.

This way, no city has to feel that they could be “done in” by the other cities in their county!

In summary, I ask that SCAG and elected officials work with HCD so that a hybrid solution can be selected. This will restore the confidence of the cities in the RHNA process.

Footnotes

1. The values for the Cerritos algorithm (33,33,33 split) passed out at the last (Feb 24) meeting are slightly different than the values that SCAG recomputed and appended to its spreadsheets on Feb. 27. The SCAG values are presented in this column³.
2. The values for the 10/7 algorithm are exactly as those presented in the past. However, the data base for that algorithm has been changed (updated for SoCal connected; corrections based on city inputs; etc.) Also methods for computing the “residual” needs have been altered. Thus, any updates to an algorithm based on a (50,25,25) split would not exactly match the Oct.7 values on a city by city basis. The county totals should be similar, but not identical.
3. The SCAG spreadsheet, while it presents slightly adjusted city by city values for the Cerritos algorithm, does NOT present the computations by which it got those numbers. The spreadsheet is deficient in this manner, and should be updated. An updated spreadsheet should also include entries for controlling all values of the (x,y,x) split.
4. Numerous cities have also presented legal arguments that the total should be < 1.34 million. I defer to their letters.