



August 22, 2019

Kome Ajise
Executive Director
Southern California Association of Governments
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017
SENT VIA EMAIL: housing@scag.ca.gov

**SUBJECT: PROPOSED REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)
ALLOCATION METHODOLOGY**

Dear Mr. Ajise:

On behalf of the Orange County Council of Governments (OCCOG), I extend our thanks for the Southern California Association of Government's decision to release multiple methodologies for consideration by the public as part of the 2020 Regional Housing Needs Assessment (RHNA) cycle.

OCCOG is comprised of 34 diverse local jurisdictions, much like the region overall, and we understand that no one methodology will provide optimal results for all. Thus, we seek to work with SCAG to develop an allocation methodology that is equitable, addresses the requirements of RHNA, and results in our member jurisdictions being able to have their housing elements certified by the Department of Housing and Community Development (HCD) within the timeframe required by law. A methodology that does not respect local input, fails to understand the constraints imposed on local jurisdictions in this RHNA cycle for siting new housing, or results in a RHNA allocation that is unattainable by jurisdictions, jeopardizes our region's ability to address the housing crisis head on.

We therefore respectfully submit these comments, with the intent to surface issues and unintended consequences from a local jurisdiction perspective, that SCAG may not be aware of, with the methodologies as currently proposed.

1. OCCOG believes local input should underpin the selected RHNA methodology allocation option

Local input has always been a foundational component of SCAG's RHNA planning process, and for good reason. Local input provides a real-world perspective of local housing opportunities and constraints at an individual, jurisdiction level; a perspective that is not present in a one-size-fits-all proposed RHNA allocation factor, such as a jurisdiction's share of the regional population. 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 an eight-year projection of the regional housing need, as called forth with the adoption of SB 375.

We support the bottoms-up approach SCAG used to derive local input over a 1.5-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 land uses, existing 2016 land uses, and zoning; and the extensive surveys collecting information on policies and best



practices incorporated into local planning. This information is also utilized by the local transportation commissions in their planning and programming of major transportation and infrastructure projects and SCAG in its regional planning. By utilizing local input, the Regional Transportation Plan/Sustainable Communities Strategy, known as Connect SoCal, integrates transportation and land use planning.

2. OCCOG supports using local input as the floor for any RHNA allocation of projected need

Each jurisdiction submitted projected housing development numbers to SCAG as part of the Connect SoCal process, which is linked with the RHNA process. The selected RHNA methodology therefore should ensure that any number assigned to a jurisdiction captures, at minimum, the number of units a jurisdiction identified through the local input process. For example, if a jurisdiction projected it would build 8,000 units, but the selected RHNA methodology only gives that jurisdiction 5,000 units, there should be an adjustment to provide that missing 3,000 units to the jurisdiction, rather than distribute the 3,000 to other jurisdictions. This respects local input, and ensures equity for other jurisdictions not to be overburdened.

3. SCAG should allow time for review of new factors or methodologies

While OCCOG appreciates the expanded public comment period for the methodology, SCAG has made it clear that the recommended methodology could be a combination of the proposed, or an entirely new methodology that is developed from public comments received. For any new factors or methodologies that are introduced as potential inputs or approaches for disaggregating the regional determination to jurisdictions, as a result of the public comment period ending September 13, 2019, we respectfully request adequate time, of no less than one week, be allocated to assess these new inputs and methods prior to any SCAG committee selecting a preferred methodology. This will ensure that SCAG member jurisdictions and other stakeholders have the ability to review the new methodology and provide input to SCAG that can help ascertain optimal outcomes and avoid technical flaws.

4. Adopt a RHNA methodology only after HCD provides the regional determination number.

Adopting a methodology prior to receipt of a regional determination would not allow the jurisdictions, SCAG, and the public to properly assess potential disparate and unintended effects on jurisdictions and those they serve throughout the region.

5. Align the definition of HQTAs with Cap and Trade for RHNA purposes

Page 7, Option 1 Step 1b: Share of Regional HQTA Population:

OCCOG supports improving the linkage between new, higher density housing and frequent, reliable transit service, and affirm this could also help the region in meeting mobility and air quality goals. However, we recognize that how the new housing numbers and associated income distribution is allocated to jurisdictions could raise concerns regarding the potential



over-concentration of particular income groups and/or the potential to displace existing residents. Additionally, HQTAs are not evenly distributed across the region.

Given the significant repercussions for cities and counties to site the units allocated, it is important that the process results in a distribution that is achievable. Thus, an allocation approach that emphasizes the factors that are critical for agencies being able to achieve (“build”) the allocated housing units should be heavily-weighted in one or more of the alternatives—and hopefully in the selected approach.

OCCOG therefore encourages SCAG to align the criteria for RHNA allocations at major transit stops with the definition of a HQTA in the Affordable Housing and Sustainable Communities Program Round 4 FY 2017-2018 Program Guidelines to both avoid overlapping terms/definitions and to better provide potential funding by ensuring HQTA's are within already-defined areas.

“High Quality Transit” means a Qualifying Transit line with high frequencies AND permanent infrastructure as follows: (1) Frequency: High Quality Transit must have Peak Period headway frequency of every 15 minutes or less and service seven days a week. (2) Permanent Infrastructure: High Quality Transit must operate on a railway or be transit service with Bus Rapid Transit features that either fully or partially operate on a dedicated bus-only lane, or uses High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lanes.

5. OCCOG opposes the reallocation of the “Above Moderate” category housing

Page 8, Option 1 Step 1d: Social Equity Adjustment for Existing Need:

OCCOG opposes the elimination of and redistribution of the Above Moderate category described in Option 1. Above Moderate units are the only housing type as a whole category that can be built without some form of subsidy, tax break or incentive provided to the builder. Without redevelopment funding and other financial tools in place, providing the needed subsidies has become ever more challenging for jurisdictions, even as we all face the challenge to build more housing at every socio-economic level to meet the needs of our communities. Jurisdictions must be able to find adequate sites for their allocated housing units in their housing element in order for it to be certified by HCD. Without a certified housing element, fines and other penalties can accrue to a jurisdiction, which then further reduces a jurisdiction's available resources to provide funding for very low- and low-income housing.

Our analysis of reassigning the Above Moderate units to the three lower-income categories, as proposed in Option 1, shows that it in fact further burdens those jurisdictions that are already impacted and have higher shares of lower-income units. In addition, by using the relative share of lower income categories, this further exacerbates those jurisdictions that already have higher concentrations of very-low income units and those that are already receiving higher allocations of lower-income units due to the social equity adjustments.



6. Utilize share of growth for household population not total population

Page 16 Option 3.

Per statute, once the region's growth forecast for total population is established, the population living in group quarters is removed from the subsequent calculations to establish the total regional housing need. Option 3 describes the use of the share of total population growth to allocate housing need. By definition, households are those housing units that are occupied by people and that population is called "household population". Group quarters population, by definition, are those people not living in households, i.e., those sheltered in facilities and structures that are not defined as housing units. Since the RHNA calculations are based off household population, if Option 3, or any other methodology that is selected utilizes the share of population growth, this should be changed to the share of household population growth. Another suggestion is to use the share of household growth instead of the share of total or household population growth.

7. Remove land areas not compatible with residential uses from density calculation

Page 54 of Technical Appendix Table: Share of 2019 Population in 2016 HQTAs.

This table contains a calculation showing 'Density (Population per acre)' which is defined as "Acre size and density calculation is for total area within jurisdictional boundaries". Though density is not currently used as an input into any of the current methodologies and OCCOG is not supporting the use of density as an input, if SCAG ultimately incorporates density into the selected methodology, some land uses should be removed from the total area within the jurisdiction so the density calculation properly reflects population density in developable/useable areas. For example, areas and land uses that are permanently protected open space, such as Cleveland National Forest; military bases; flood channels; local parks and HOA open space; and other lands unsuitable or unavailable for residential uses, should not be included in the area denominator.

8. Allow for vetting and corrections to CIRB units permitted data

Page 59 of Technical Appendix Table: Number of Residential Units Permitted, Construction Industry Research Board (CIRB) and SCAG Local Profiles.

The CIRB data used in Option 1 has not been vetted by all jurisdictions for accuracy. Though the information is reported to have also been contained in the SCAG Local Profiles, the charts displayed in the Local Profiles only report every other year's data. If the CIRB data is to be utilized, any corrections or amendments submitted to SCAG and/or CIRB should be incorporated into the RHNA Technical Data Appendix and RHNA calculations.

9. OCCOG supports the technical comments provided by The Center for Demographic Research.

OCCOG works closely with the Center for Demographic Research at California State University, Fullerton (CDR). CDR has provided detailed comments for SCAG's use in



Orange County Council of Governments

strengthening all three proposed methodologies. OCCOG stands behind the comments issued by CDR in the spirit of making the methodologies as accurate and flawless as possible before adoption.

Once again, OCCOG thanks you and the SCAG team for the partnership in developing an equitable RHNA methodology for our region that will lead to certified housing elements and ultimately to more housing options for Southern Californians. We stand ready to support you during the evaluation period and look forward to working together throughout the remainder of the 2020 RHNA cycle.

Sincerely,

A handwritten signature in black ink that reads "Marnie O. Primmer". The signature is fluid and cursive, with the first name being the most prominent.

Marnie O. Primmer
Executive Director
Orange County Council of Governments