



CITY OF FULLERTON

Community Development Department
303 West Commonwealth Avenue
Fullerton, California 92832-1775

August 29, 2019

The Honorable Peggy Huang, Chair
Regional Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Sent via e-mail to: housing@scag.ca.gov

Subject: Regional Housing Needs Assessment (RHNA) Methodology Options

Chair Huang & Members of the RHNA Subcommittee:

Thank you for the opportunity to provide comments on the Regional Housing Needs Assessment (RHNA) methodology options provided by the SCAG subcommittee. As we all know, California has a serious shortage of housing. This limited supply impacts affordability levels pricing out many lower and middle income families. This crisis has far reaching social and economic effects including company relocations and employment losses to fewer dollars spent on basic needs to increased traffic due to longer commutes.

Like many cities, Fullerton is committed to doing its part to take on the housing challenge and has worked with affordable housing developers to construct over 260 units of deed restricted affordable housing over the past three years in addition to over a thousand market-rate units. Fullerton has also taken steps to encourage the development of accessory dwelling units to incrementally increase housing supply in established single-family neighborhoods. It is unfortunate that the City's most effective tool to support and fund the creation of affordable housing, Redevelopment, was taken away by the State in 2011. Without this critical funding mechanism, Fullerton, like most cities, has had to encourage developers to include a percentage of affordable units within their developments, with limited success.

The stated goal of RHNA is to ensure local plans can accommodate future household growth for all income levels throughout our communities in a fair and equitable way. Fullerton believes it has acted in good faith throughout previous RHNA cycles to provide the appropriate zoning tools to accommodate its RHNA obligation. Based on preliminary documents that have been provided by the subcommittee, there are significant changes in the allocation methodology proposed in the 6th cycle which are concerning. After a careful review of the three methodology options, we would like to submit the following comments/concerns:

1. The selected methodology must incorporate local input /data.

Any methodology that ignores local input/data (i.e. Methodology 2) undermines the critical role that Cities play in determining the appropriate RHNA allocation. Representatives from 197 SCAG jurisdictions partnered with the Orange County Council of Governments (OCCOG), the California Traffic Commissions (CTC), the Center for Demographic Research (CDR) and others spent well over a year developing, reviewing, analyzing and providing comments on various data sets and maps as part of the 2020 Regional Transportation Plan and Sustainable Communities Strategy (SCS). To not allow this data to inform the methodology, as is proposed in Methodology 2, is not only inappropriate, but also contrary to State Housing Law (Government Code Section 65584.04(e)).

2. The minimum RHNA allocation for each jurisdiction should never be less than a Cities projected housing need.

Based on the RHNA calculation tool provided by SCAG, there are cities within the SCAG region which, under Methodology 2, would receive a RHNA allocation (projected plus existing) which is significantly lower than even the Cities own projected housing need. The amount of projected housing need is provided by each City and is presumably the absolute minimum amount of housing that should be provided. Any RHNA methodology which concludes that a city is obligated to provide housing at a rate that is **less than** that cities projected need is clearly flawed.

3. Potential for unattainable RHNA obligations and impacts for non-compliant Housing Element.

Based on the recently released HCD regional need of 1,344,740 units, under Methodologies 1 and 2 Fullerton's RHNA allocation more than quadruples from the 5th cycle. While this dramatic increase may reflect the extent of the housing crisis in the state, it puts cities in an untenable situation of having to plan for such a substantial increase in the upcoming Housing Element Cycle. This challenge is magnified by recently adopted housing laws including: AB1397, SB166, SB35 and AB101/SB102 which place additional requirements and restrictions on cities with respect to achieving the specified RHNA allocation (and a compliant Housing Element) and substantial penalties on jurisdictions that are unable to identify sufficient housing sites to meet their RHNA obligations.

4. Further clarification is needed regarding the new appeals process.

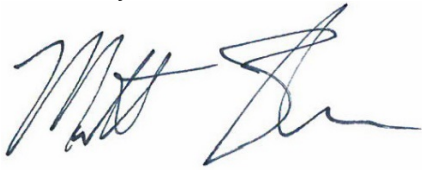
As the City understands it, under the new appeal process, an appeal of a given jurisdictions RHNA allocation can be made by not only the subject city, but any other jurisdiction. In cases where a City successfully appeals its RHNA allocation resulting in a lower allocation to that city, are those units then redistributed to the other jurisdictions? Further clarification on how appeals will be considered and processed is needed.

In summary, Fullerton strongly opposes Methodology 2 as it both ignores local input and results in potentially unattainable RHNA allocations for the City. While none of the methodologies are perfect, Methodology 3 most appropriately utilizes local input amongst the three options and with an added factor related to High Quality Transit Areas (HQTAs), could result in an allocation that is fair and equitable across the SCAG region.

The RHNA and subsequent Housing Element update process allows communities to plan for housing development and growth which collectively allows the entire region to improve access to jobs, promotes transportation mobility, and addresses social equity, fair share housing needs. We

understand that the provision and allocation of housing needs is both a vital and exceptionally complex issue. Thank you again for the opportunity to provide feedback on this process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Foulkes', with a stylized flourish at the end.

Matt Foulkes
Acting Community Development Director
City of Fullerton