

**From:** Goldstone, Raymond [REDACTED]  
**Sent:** Sunday, September 1, 2019 7:22 PM  
**To:** Regional Housing  
**Subject:** Sixth Cycle Regional Housing Needs Assessment: Comments

**Please consider the following comments and suggestions on the Sixth Cycle RHNA for our region:**

- **I urge you in the strongest terms to revert to SCAG's original RHNA of 430,000 units by 2029 and to reject HCD's current 1.3 million determination of a minimum Sixth Cycle housing need. In short, the 1.3 million units for our region is far higher than our region's housing need.**

Indeed, I have concluded that the 1.3 million units for our region is not based upon reality but rather reflects a *political* compromise designed to placate pro-developer lobbyists who would have you believe that California needs to build 3.5 million homes by 2025! I believe that this preposterous number originated from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. California's demographics and housing formations are vastly different than New York's. I refer you to a recent report by the Embarcadero Institute. Please take the time to read it at the following URL: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>.

More sensible and realistic models indicate that California's additional housing need by 2025 is somewhere between 1.1 million and 1.3 million units. Thus, it would appear that the *actual* housing need for the SCGA region is less than a third of the HCD's most recent determination; and that SCAG's original RHNA of 430,000 is a reasonable and responsible estimate.

- **Using SCAG's original, reasonable RHNA number, I request that proposed "Methodology 1" be used to determine housing need allocations.**

It is my understanding that a crucial component of housing need allocation for our region must be use of local inputs. This basic requirement rules out your proposed "Methodology 2". Of the remaining two options, "Methodology 1" appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- **Additionally, I urge that targets for market-rate, *luxury* housing be reduced, and that the targets for low-income and moderate-income housing be increased.**

Notwithstanding the wish of developers to build market-rate, *luxury* housing, our region's most needed housing is that for low-income and moderate-income housing. It is crucial that the breakdown of RHNA totals for each city by income bracket reflect the real needs. As I review the four income brackets in your current proposal(s), the largest target is for approximately 45% of the total to be "above moderate income" housing. This figure is far higher than the actual need. Thus, I ask that you consider reducing the 45% to 20%, with corresponding increases in the targets for low-income and moderate-income housing.

**Sincerely and respectfully,**

**Raymond H. Goldstone**

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