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From: Data [REDACTED]
Sent: Thursday, September 5, 2019 12:29 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

The 3.5 million figure originates 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. This makes no sense because California's demographics and housing formations are vastly different than New York's.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. Please take the time to read it here: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD's own forecast) indicate that California's additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

- With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations

A key component of housing needs 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.

Thank you for your consideration

Devony Hastings
Los Angeles, CA