

[REDACTED]

From: Henry Fung [REDACTED]
Sent: Thursday, September 12, 2019 11:00 PM
To: Regional Housing
Subject: RHNA allocation methodology comment

Dear Southern California Association of Governments,

I have the following comments on the allocation methodology for the Regional Housing Needs Assessment (RHNA).

First, I would like to thank staff for taking on this challenging assignment, and for providing, with few exceptions, sound technical advice and unsurpassed transparency on the RHNA process.

Staff has appealed the State's allocation because it claimed that HCD did not follow the statutory process, and made challenges denoting where HCD differed from law. In the distribution process, SCAG staff and the elected officials on the Regional Council should set a good example, especially knowing that HCD is in the 45 day review period. They should strive to follow statute as close as possible.

I reject Option 1 and Option 3. Option 1 is too complicated and, as some cities have noted, the data source may be questionable. Option 3, using local growth factors, privileges those cities which know how to game the system. It forces poor, inland cities like Coachella to zone for over 10,000 units even under the conservative SCAG revised regional determination of 900,000 units. The Coachella Valley is especially hard hit by Option 3, which will doom the area to be a dumping ground for housing far from amenities and jobs, with minimal transit and an extremely hot climate.

As Abundant Housing LA has stated, cities in Los Angeles County and Orange County closest to abundant job opportunities are mostly “built out” under existing zoning, and therefore have a relatively low projected household growth. These cities could, however, accommodate housing by rezoning land strategically. Implementing local inputs to allocate RHNA is not consistent with a law requiring the plan “to increase access to areas of high opportunity for lower-income residents”. RHNA should push for more low-income housing in high opportunity cities but using local inputs does the opposite. It pushes housing growth to the cities farthest from job opportunities – which have land to build on, and thus higher projected household growth.

Using objective measures would allocate regional housing need in a way that advances environmental sustainability, and affirmatively furthers fair housing regionally.

One way RHNA can recognize jobs/housing balance is by using employment as one of the factors in RHNA.

I propose the following initial distribution methodology (Option 2A):

60% based on population (proportion of population in SCAG region)

30% share of land within 2045 High Quality Transit Areas per the SCAG 2016 RTP (using the HQTALayer on the SCAG web site, land area excluding bodies of water, geologic hazards/high fire danger/environmental mitigation banks/FEMA inundation areas, and publicly owned and accessible parkland) - This would be the city's amount of eligible land in a HQTALayer divided by the total amount of eligible land in a HQTALayer.

10% based on employment (proportion of employment in SCAG region, use most recent Census/ACS info available)

This will direct RHNA growth to areas near housing and transit. For the first time, it will assign hundreds, and possibly thousands, units to cities like Industry, Irwindale, and Vernon, largely industrial cities which have been able to grow unchecked at the detriment to the surrounding cities which house them. Although it may not be good practice to place families with children next to industrial facilities such as those found in those cities, these cities have enough space to accommodate micro-units and studios with minimal parking which could provide affordable workforce housing, or permanent supportive housing that could provide clients easy access to jobs which fit their skills.

Increasing the share in transit rich areas will help increase access for those with low to moderate incomes to jobs, while also allowing for parking reductions which can improve the financial viability of low to moderate income housing. Future transit currently being planned or anticipated to be funded by 2045 should be included in the HQTAs calculation, using the existing SCAG HQTAs layer. Bus service at 15 minute peak headways, consistent with SB 743, should be included and SCAG should resist calls by cities with frequent bus service that they are not "high quality transit" despite having high ridership on these routes for decades (i.e. Beach Boulevard, Harbor Boulevard, Westminster Avenue). Using land area instead of existing population share will help direct more growth to HQTAs that currently have lower density development.

I am sympathetic to the comments of RHNA Subcommittee member Rusty Bailey who have advocated for non-incarcerated institutional housing, such as college dorms, boarding houses, and single room occupancy hotels, to be counted in the RHNA allocation. This should somehow be included, and would allow Industry, Vernon, and Irwindale to meet their RHNA goals through zoning for on-site worker dorms.

I would also allow for a reduction/reallocation in RHNA goals for a jurisdiction in a very high/high fire zone, lands designated by FEMA at risk of flood inundation, federal and state designated environmental mitigation banks and parkland, and geologic hazards, on a percentage basis based on the land area in those zones (to be reallocated to the region as a whole). I would not do the same for publicly inaccessible open space like private country clubs. While increasing and enhancing public open space is good, it must be balanced with the fact that thousands of people live in cities with little to no open space. The open space can help mitigate intensification of other lands already zoned for development in a city.

The social equity adjustment is also an important issue. It is used to modify RHNA allocations by income category, to give higher numbers of lower-income need to relatively more affluent jurisdictions. I support the staff recommendation of a 150% social equity adjustment. I do not believe there is enough evidence that a 200% social equity adjustment will meaningfully encourage additional low to moderate income housing construction.

I recognize that it will be difficult for some cities to meet their goals. They will have to rezone, and some with voter approved growth bans will have to go to the voters to amend or repeal them. Otherwise, they will face steep fines. However, the Legislature has determined housing to be a statewide concern, and certainly climate change is a global concern where improving housing near jobs and transit can help.

Certain elected officials on SCAG bodies regularly rail on Sacramento. But Sacramento is us - a Governor who was elected by over 25 percentage points in the SCAG region, and a state legislature selected through districts drawn by an independent commission who considers communities of interest, and not arbitrary boundaries. In addition, the public endorses addressing climate change. When fossil fuel interests attempted to repeal AB 32 in 2010 at the ballot box, it was overwhelmingly defeated by voters, in the midst of the Great Recession.

The public has a right to amend or repeal the RHNA laws through their elected officials and also through the ballot initiative process. But for cities to imply in their letters that they will not follow the RHNA process ignores the ongoing housing crisis, and is bad form. Failure to follow the RHNA and Housing Element laws

will only waste taxpayer money and not build a single unit of housing. Once an allocation is made, I strongly encourage SCAG to encourage its member jurisdictions to follow the law, rezone and/or initiate environmental studies as necessary, and use its immense technical resources to meet our region's, nation's, and our world's challenges of providing quality, affordable housing to all residents in a manner which helps achieve the necessary climate change reduction to sustain human life for centuries to come.

Sincerely,
Henry Fung