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September 12, 2019

Honorable Peggy Huang, Chair  
Regional Housing Needs Assessment Subcommittee  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, California 90017

**Subject: Regional Housing Needs Assessment (RHNA) Methodology Options**

Honorable Chair Huang and Honorable Members of the Regional Housing Needs Assessment (RHNA) Subcommittee:

The City of Placentia expresses thanks to the RHNA Subcommittee, CEHD Policy Committee, Regional Council, and SCAG staff for their efforts in attempting to establish an equitable RHNA that complies with new state housing law and addresses the state's housing crisis. The City appreciates the Regional Council's decision to release the three RHNA methodology options for consideration during this public comment period. We also appreciate SCAG staff for working with the Orange County Council of Governments (OCCOG) to host a public meeting in Orange County during the comment period.

The City remains committed to doing its part in helping with this challenge and has been acting in good faith throughout the 5<sup>th</sup> RHNA cycle to provide the appropriate zoning tools to accommodate its RHNA obligation. During the 5<sup>th</sup> RHNA cycle, the City of Placentia has constructed approximately 197 housing units, including 49 low and very low income housing units and 33 moderate income housing units. Additionally, over 1,000 units in and around the City's Transit Oriented Development (TOD) Zone are currently entitled and/or under construction. The City of Placentia continues to act in good faith to ensure affordable housing is built citywide as indicated in the City's State certified Housing Element.

After careful review of the three methodology options, we offer the following comments:

- 1) It is absolutely critical that local data be utilized in the development of the RHNA methodology. Every jurisdiction has its own unique characteristics and a one-size-fits-all approach to RHNA would have a devastating impact on the character of each of these jurisdictions.

The land inventory in the City of Placentia has been significantly reduced over the past two RHNA cycles and it is becoming increasingly difficult to find eligible undeveloped or underutilized land within the City. Although the City is diligently

striving to do its part in addressing the housing crisis, the City is extremely concerned with any methodology that ignores local input. Representatives of 197 local jurisdictions throughout the SCAG region, partnering with Councils of Governments (COGs), California Traffic Commissions (CTCs), a wide variety of stakeholder groups, and the general public, have spent over 1.5 years and countless hours reviewing, analyzing, and commenting on various datasets, maps, and surveys through the Bottom-Up Local Input and Envisioning Process for the 2020 Regional Transportation Plan and Sustainable Communities Strategy and RHNA.

Government Code Section 65584.04(e) specifically states that “to the extent that sufficient data is available from local governments...each council of governments...shall include the following factors to develop the methodology that allocates regional housing needs.” Therefore, ignoring local input in the RHNA methodology would not only be inappropriate, but would be contrary to state housing law.

- 2) Every jurisdiction should be obligated to provide for its own projected housing need at a minimum. Under certain options, some jurisdictions would receive a total RHNA (projected need plus existing need) significantly lower than even its own projected housing need. This would result in other jurisdictions being obligated to plan for that jurisdiction’s projected housing need plus its own housing need plus its share of the region’s existing housing need. This must be fixed in the methodology in order to create an equitable solution.
- 3) The City recommends that SCAG does not adopt a RHNA methodology until after HCD provides a final, reasonable regional determination. Adoption of a methodology prior to the adoption of a regional determination would not allow the jurisdictions, SCAG, and the public to properly assess potential unintended effects on jurisdictions throughout the region.
- 4) The City is adamantly opposed to Option 3 as it appears to disproportionately penalize local jurisdictions that have complied with State (HCD) mandates during previous RHNA planning periods and have made progress providing housing during previous RHNA planning periods. Options 1 or 2 are amenable to the City of Placentia assuming additional local input is solicited subsequent to SCAG agreeing on the final regional housing need number. That being said, the City would also support including other local planning factors such as planning for housing near existing and projected HQTAs and job centers as outlined in Government Code Section 65584.04(e), and accounting for recent building activity. The City would also prefer the 150% social equity adjustment factor across all income categories from Option 3 (although we are opposed to Option 3) over the 110% social equity adjustment factor and removal of the above moderate income category from Option 1. These are all principles that meet the RHNA objectives outlined in Government Code Section 65584.
- 5) The City supports the concept of using population growth rates as a component of the RHNA methodology as this preserves the integrity of the local input process.

The City would also support including other local planning factors such as planning for housing near existing and projected HQTAs and job centers as outlined in Government Code Section 65584.04(e), and accounting for recent building activity.

- 6) Has SCAG considered the methodology for redistributing housing units successfully appealed? For example, will jurisdictions that successfully file an appeal to their RHNA be exempt from receiving additional housing units successfully appealed by other jurisdictions in the region?

In conclusion, the City of Placentia implores SCAG to preserve the integrity of the local input process in establishing any RHNA methodology. Ignoring local input would be disastrous to many jurisdictions throughout the region and will result in many jurisdictions being unable to obtain a certified housing element. If SCAG proposes a new methodology or some hybrid of the proposed methodologies, the City requests that SCAG provide additional opportunity for public comment and review.

The City strongly encourages SCAG to provide a presentation to the RHNA Subcommittee, CEHD Policy Committee, and the Regional Council regarding state housing law with which local jurisdictions are obligated to comply. It is imperative that these elected officials clearly understand how jurisdictions will be impacted by their potential inability to plan for an unreasonable RHNA obligation. The City also strongly encourages SCAG to outline the appeals and redistribution process.

The City recognizes and appreciates the time and effort provided by everyone on this important and complex issue and for your consideration of these items. Please let us know if you need any additional clarification or have any questions by contacting Joseph Lambert, Director of Development Services, at (714) 993-8234 or [jlambert@placentia.org](mailto:jlambert@placentia.org)

Sincerely,



Rhonda Shader  
Mayor

cc: SCAG Regional Housing Needs Assessment Subcommittee  
Kome Ajise, SCAG Director of Planning  
Placentia City Council  
Damien Arrula, City Administrator  
Joseph Lambert, Director of Development Services