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September 12, 2019

Kome Ajise, Executive Director Southern California Association of Governments 900 Wilshire Boulevard, #1700 Los Angeles, CA 90017

Dear Mr. Ajise:

Subject: Comments Regarding the Proposed Sixth Cycle Regional Housing Needs Assessment Jurisdictional Allocation Methodologies Prepared by the Southern California Association of Governments

Thank you for the opportunity to provide comments on the proposed allocation methodologies that have been prepared for the 2020 Regional Housing Needs Assessment (RHNA). I would also like to offer special thanks for taking the time to hold an informational session in Santa Clarita on August 29, 2019, and for extending the comment period to September 13, 2019. We look forward to continuing our ongoing partnership with you and your staff throughout the coming RHNA cycle.

As you know, the City of Santa Clarita (City) has worked diligently toward the allocation goals established during the first five cycles of the RHNA process, and will continue do so during the sixth cycle. Since incorporation in 1987, the City has fostered and supported reasonable residential and commercial growth within our community. The City also supports the preservation of natural open space within and around our community. Although the City has historically been considered a bedroom community, we are focusing on projects that will provide a better jobs/housing balance and better proximity to employment centers.

Two projects that demonstrate this are the Vista Canyon and Habitat for Heroes developments. Vista Canyon will provide approximately 1,100 residential units, along with approximately one million square feet of commercial space. Habitat for Heroes includes the rezone of property from business park to multi-family housing, and accommodates 78 affordable units for wounded veterans and their families. This project was completed earlier this year.

Located in a suburban community and surrounded by rural properties and open space, Santa Clarita has a unique urban environment that blends intensive commercial and residential density in its core, with less intensive, ranch-style residences on its edges. Our General Plan Land Use Element and zoning map reflect this and provide a variety of configurations and densities to support a range of housing types and commercial uses, promote infill, and encourage the development of both residential and commercial land uses focused around transit infrastructure.





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The City and Unincorporated County of Los Angeles (County), via coordinated general planning efforts, continue to provide a significant supply of housing for the Southern California region and Santa Clarita Valley. Over 2,200 building permits have been issued during the fifth cycle RHNA process. An additional 7,000 entitlements have been approved for housing units in the City alone. Tens of thousands more have been issued in the unincorporated areas of the Santa Clarita Valley.

Because Santa Clarita is surrounded by rural areas, the City implemented an Open Space Preservation District (District) in 2007. The purpose of the District is to surround the City with a greenbelt for the enjoyment of the both the local community and greater regional population. The District also actively promotes the preservation of the natural environment. Since implementation, the City has acquired and maintains over 9,000 acres as permanent open space.

Santa Clarita's model of managed growth is consistent with several objectives identified by the RHNA process, including: (1) increasing housing supply and a mix of housing types; (2) promoting infill development; and (3) promoting an improved relationship between jobs and housing.

This model is also consistent with many of the objectives included in the Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS). Specifically, these objectives include: (1) the reduction of vehicle miles travelled (VMT); (2) the reduction of impacts on regional transportation infrastructure; and (3) a reduction of the City's greenhouse gas emissions.

The City submits the following comments regarding the proposed methodologies prepared by Southern California Association of Governments (SCAG) staff for determining the jurisdictional allocation of units during the sixth cycle RHNA process:

- 1. <u>Numbers allocated to jurisdictions should be reasonable and attainable.</u> The City has significant concerns regarding the state's regional allocation of units. As discussed earlier in this letter, the City supports reasonable, balanced, well-managed growth within our community that meets the objectives identified by RHNA, the RTP, and SCS.
- 2. Community impacts due to limitation of local land use authority. The City has significant concerns regarding the state's policy trend toward limiting the land use authority of local jurisdictions. Specifically, limiting affordable housing projects to a ministerial level review will significantly reduce the City's ability to apply reasonable mitigation measures to key elements vital to maintaining public health including air quality, noise, traffic generation, greenhouse gas emissions, and geologic impacts. Further, it will significantly reduce the City's ability to require reasonable mitigation measures to key elements of community building, including the creation of park space, architecture, aesthetics, landscaping, and on-site parking.
- 3. SCAG should eliminate the criteria related to the jurisdictional share of the regional undersupply of building permits issued from Option 1. It is not reasonable to be penalized for permitting a lower share of the region's building activity as compared to the region's average. This metric ignores all of the entitled units currently within the City's development process (see Comment 4). It also penalizes the City unfairly because the timing of building permit issuance is beyond the City's control. Because the City directly defines the timing for issuance of entitlements, revising the metric would fairly allow more local control over achieving the RHNA allocation.

- 4. If the criteria for jurisdictional share of building permits is not eliminated, a credit should be applied for residential units that have been entitled. As indicated earlier in this letter, the City takes a balanced approach to growth. In partnership with the County, the City has provided a significant number of units to serve the Southern California region and Santa Clarita Valley. Only counting the number of building permits issued discounts a significant portion of the ongoing development process. A credit should be given for entitled units within a jurisdiction. In the City's case, over 7,000 units have been entitled and are awaiting building permits. The City recommends a metric that would include the number of entitled units plus any newly entitled units each year compared to the existing number of units within the jurisdiction.
- 5. <u>In Option 1 and 2, place a higher priority on the criteria of population share near High Quality Transit Areas (HQTA).</u> We recommend a higher priority on criteria for share near HQTA. This is consistent with the RNHA goals of promoting infill development and creating a stronger jobs/housing balance. It is also consistent with the state's RTP and SCS goals for reduced VMT, traffic, and greenhouse gas emissions.
- 6. The proximity of population near major job centers should be considered in the RHNA methodology. Reduced proximity to regional jobs centers is consistent with the RNHA goals of creating a stronger jobs/housing balance. It is also consistent with the state's RTP and SCS goals for reduced VMT, traffic, and greenhouse gas emissions. As indicated earlier in this letter, the City is doing its part to create a more balanced jobs/housing ratio locally. The City recommends a jobs/housing ratio of 1.5 to 1 for inclusion in any of the existing methodologies or additional methodologies SCAG may propose.
- 7. Reduce the social equity adjustment due to the effects of annexation. Since 2012, the City has annexed over 19,000 residential units and inherited 4,813 RHNA units. Of these RHNA units, 1,468 units were allocated to the lower income categories. Only 34 units were designated as affordable units, resulting in the City falling further behind in the affordable categories of its RHNA allocation. The City should not be penalized when projects that are fully entitled by another jurisdiction with no capacity for additional units of any income category are annexed.
- 8. Weight should be given to market demand forces on the cost of housing. Market forces are outside of the City's control. However, it stands to reason that as the RHNA process increases the overall supply of housing units in the region, market forces should naturally reduce the price of housing over time. This should be taken into consideration as part of the RHNA process. To account for market demand, the City recommends more emphasis be placed on the total number of units entitled rather than the number of affordable units permitted.

Thank you again for your consideration of the City's comments. We look forward to partnering with SCAG staff throughout this process. Should you have questions or require more information regarding our submittal, please do not hesitate to contact me.

Sincerely,

Thomas B. Cole.

Director of Community Development

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cc: Mayor Marsha McLean and Members of the City Council Kenneth W. Striplin, City Manager City of Santa Clarita Leadership Team