



OFFICERS

Terri Tippit, Chair
 Lisa Morocco, Vice-Chair
 Jane Wishon, Recording Secretary
 Mary Kusnic, Corresponding Secretary
 Shannon Burns, Treasurer

September 12, 2019

Mr. Kome Ajise (housing@scag.ca.gov)
 Southern California Association of Governments
 900 Wilshire Boulevard, Suite 1700
 Los Angeles, CA 90017

Subject: 6th Cycle Regional Housing Needs Assessment

Dear Mr. Ajise,

BOARD MEMBERS

Stacy Antler
 Barbara Broide
 Kim Christensen
 Joanne Dorfman
 Wendy Dox
 Caryn Friedman
 Colleen Mason Heller
 Jeff Hronek
 Sean McMillan
 Louis Schillace
 Jae Wu

The Westside Neighborhood Council respectfully submits the following comments 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. We 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 provides a good summary of more sensible and realistic models used to predict California’s housing need. <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

The Embarcadero Institute is a non-profit based in the Bay Area in California that focuses much of its expertise on housing, RHNA and housing related policy analysis that works with data scientists to provide information regarding existing conditions for cities in Silicon Valley. As the Embarcadero Institute work demonstrates, these mainstream 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 outlier 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 right where it needs to be and reflects a realistic forecast of housing need in our area.

- **With a realistic RHNA figure in-place, please use proposed Methodology Option No. 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 proposed Methodology Option No. 2. Of the remaining two options, Methodology Option No. 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city in that it separates existing need from projected need, has a higher total of lower income categories and accounts for recent building activity in addition to allowing for local input.

- **Reduce luxury housing targets, increase targets for low and moderate-income housing**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for "above moderate income" housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

The Westside Neighborhood Council very much appreciates SCAG's work to address local concerns, including regional housing need. We support SCAG staff's recommendation to file an objection to the HCD determination of 1,344,740 units.



Terri Tippit, Chair
Westside Neighborhood Council

Cc: California Department of Housing and Community Development