

September 13, 2019

The Honorable Peggy Huang, Chair
RHNA Subcommittee
Southern California Association of Governments (SCAG)
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

**Subject: Comments on the 6th Cycle Regional Housing Needs Assessment
(RHNA) Methodology and Support of the SCAG Objection to the Final
RHNA Determination**

Dear Chair Huang:

Thank you for the opportunity to comment on the SCAG 6th cycle Regional Housing Needs Assessment (RHNA) methodology.

The Ventura County Board of Supervisors sent a letter to SCAG in July commenting on the development of the RHNA methodology. The County's comment letter highlighted the fact that housing production and affordability remain a critical priority for our County, but that we face unique challenges and physical constraints such as the protection of agricultural and open space lands and the lack of infrastructure to support new high-density housing. The comment letter urged the RHNA Subcommittee to consider these factors when selecting a RHNA methodology.

Since the submittal of the comment letter in July, the California Department of Housing and Community Development (HCD) released their final RHNA determination of 1,344,740 total dwelling units for the six-county SCAG region. This number reflects the number of housing units the SCAG region must plan for during the next Housing Element cycle (2021–2029). The County would like to express support for SCAG staff's recommendation to file an objection to this determination for the following reasons:

- (1) Of the approximately 1.3 million housing units assigned to the SCAG region, 551,499 are the result of projected population growth. The remaining 793,241 dwelling units are intended to address existing and replacement housing need, with nearly 460,000 of the total allocation attributed to an "overcrowding



adjustment". This new facet of the RHNA determination mandated by State law factors in overcrowding, vacancy rates, and cost-burdened households who are overpaying for housing to arrive at a theoretical supply number that would alleviate this existing need. However, State law does not prescribe the methodology or the timeframe for addressing the identified need. While addressing the existing need is critical to solving the current housing crisis, it's unreasonable to assume that an undersupply that developed over decades can be resolved within one 8-year Housing Element cycle. This reasoning ignores the realities faced by housing developers and jurisdictions who would like to build more housing, but encounter many hurdles, including the lack of State funding for affordable housing, onerous lending requirements, and other market forces beyond the control of local elected officials or land-use practitioners. The County believes the final RHNA determination should be reduced downward by distributing the existing need over several future Housing Element cycles; and

- (2) The proposed RHNA determination ignores the demographic work produced by SCAG staff after a lengthy local input process. SCAG has been a leader in developing anticipated population, employment, and growth estimates, linking it to the region's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). To ignore SCAG's proposed methodology, which was based on local input and stemmed from the earlier RTP process, is short-sighted. Local input is the foundation for developing demographic estimates that reflect local housing opportunities and constraints, anticipated employment growth, and planned transit projects that link land use planning to transportation planning. The placement of high-density housing in urbanized areas near job centers, transit, and urban services achieves a variety of goals. Ultimately it supports the development of efficient land use patterns that reduce greenhouse gas emissions in compliance with SB 375. By filing an objection, HCD will be given another opportunity to review the SCAG proposal and take into consideration supporting evidence and data so that the final RHNA determination more closely aligns with the RTP/SCS growth forecast for the SCAG region.

RHNA numbers are increasingly consequential to local jurisdictions. Given the potential repercussions for counties that do not identify sufficient sites for the housing units allocated, it is important that the selected RHNA methodology results in a distribution that is based on the most accurate data and is equitable across the region. The County of Ventura offers the following additional comments on SCAG's proposed RHNA methodology:

- (1) The proposed RHNA methodology determines a jurisdiction's housing need in part based on recent building activity. The data collected by SCAG for the County of Ventura inaccurately shows significantly reduced building permit activity, which then results in a higher existing housing need allocation. The data source for building activity is the Construction Industry Research Board (CIRB), an independent organization which analyzes statewide building permit trends. The CIRB reported that the County of Ventura issued 919 building permits between 2006 to 2013. Their source was monthly reports on the County's Building Division website. However, the County's Annual Progress Reports submitted to HCD show that there were 1,851 building permits issued and/or completed¹ over the same time period. This discrepancy can be attributed to two factors: (1) the data used by the CIRB does not include units that were built within unincorporated Ventura County, but permitted by a separate regulating authority; and, (2) accessory dwelling units that resulted from the conversion of a garage or an addition to an existing home were often not identified as new dwelling units on the Building Division reports.

It is worth noting that a significant number of the County's housing units constructed after 2006 were not permitted by the County's Building Division, but rather by a separate regulating authority. Specifically, 658 units were permitted and built in 2006 and 2007 adjacent to California State University, Channel Islands by the university's Site Authority, and 66 farmworker manufactured housing units installed outside of the City of Santa Paula were issued building permits by HCD pursuant to the Employee Housing Act. Both projects are located within the unincorporated County and were counted toward the County's RHNA, as approved by HCD staff. The County would like to point out that use of CIRB data results in undercounting building permit activity that is then unfairly magnified by the proposed RHNA methodology. Future data collection should give more weight to the information submitted by the local agency rather than to industry reports.

- (2) The final RHNA methodology selected should recognize existing constraints to housing production as listed in Government Code Section 65584.04 (Local Planning Factors), particularly those that cannot be resolved within the next 8-year Housing Element cycle. A one-size-fits-all RHNA distribution methodology is particularly difficult for unincorporated counties like ours, where available vacant land is located in remote areas with limited infrastructure to support housing (e.g., no access to water, sewer or dry utilities) often within high fire hazard areas, or the land is protected by a voter initiative intended to preserve agricultural and open space land. A full 30 percent of unincorporated Ventura County is located within a

¹ The County's Annual Progress Reports reported building permit issuance starting in 2014. Prior to 2014, Annual Progress Reports counted building completion numbers. In other words, the dwelling unit was not only issued a building permit but was confirmed to be constructed and occupied.

high (5%) or very high (25%) fire hazard severity zone. An additional 12 percent of unincorporated land is cultivated with agriculture covered by a Williamson Act or Land Conservation Act contract. Ninety-seven percent is protected by the Save Open Space and Agriculture Resources (SOAR) measure passed by voters. This local ballot initiative prohibits conversion of open space and agricultural land to non-agricultural or open space land uses through 2050 without a vote of the electorate. As required by State law, the selected RHNA methodology should apply local planning factors to fuse real-world data into the distribution of projected and existing housing needs.

- (3) During the local input process, the County of Ventura submitted a replacement need survey to SCAG. Between 2009 to 2018, County staff identified 199 dwelling units that were demolished and not replaced over the 10-year period. Most of these dwellings (164 or 82%) were destroyed by the Thomas Fire at the end of 2017. County staff recommends that SCAG amend its methodology in regard to units lost during a recent State of Emergency for the following two reasons: (1) the RHNA methodology includes replacement units as part of the social equity adjustment; and, (2) the County was not given enough time to replace these individual dwelling units before submitting the replacement need survey in 2018.

It is our understanding that the replacement of dwelling units lost during a State of Emergency declared after January 1, 2018 would be incorporated into the 7th cycle RHNA (2029-2036) rather than the 6th cycle RHNA (2021-2029). The Thomas Fire, which was the largest wildfire in California history at the time, began 28 days before this cut-off date. It affected the County of Ventura first, which uniquely penalizes unincorporated Ventura County for not replacing dwelling units lost to the Thomas Fire sooner. It's expected that these units will eventually be replaced, but not enough time has been provided for homeowners to sort out insurance issues, hire contractors, and rebuild. Ironically, the new demand created by the Thomas Fire led to a shortage of contractors, architects, and other construction professionals in the areas most severely impacted. This is currently impacting housing production and housing replacement by increasing both costs and project timelines in our region. For these reasons, the County would like to respectfully request that housing units lost during the State of Emergency declared for the Thomas Fire and not yet replaced, be applied to the 7th cycle RHNA cycle to provide more time for replacement units to be built.

Letter to the Honorable Peggy Huang
SCAG RHNA Subcommittee
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Page 5 of 5

Ventura County appreciates the efforts of SCAG to address local concerns. We continue to make steady progress toward meeting our assigned RHNA targets and remain committed to adopting programs to facilitate and promote new housing and to developing regional solutions to the housing affordability crisis.

Sincerely,



Dave Ward, Planning Director
Ventura County Planning Division

c: Michael Powers, County of Ventura Chief Executive Officer
Kim Prillhart, Resource Management Agency Director
County of Ventura Board of Supervisors