



ERIC GARCETTI
MAYOR

September 13, 2019

Mr. Kome Ajise, Executive Director
Southern California Association of Governments
Attention: RHNA
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

RE: Proposed Regional Housing Needs Assessment (RHNA) Allocation Methodology

Dear Mr. Ajise,

Thank you for the opportunity to comment on the proposed allocation methodologies for the 6th cycle Regional Housing Needs Assessment (RHNA). Southern California faces an unprecedented housing shortage that is contributing to our homelessness crisis and hampering important regional goals around mobility, sustainability, and equity. The RHNA process can play an important role in addressing this crisis and helping us achieve our common objectives. Unfortunately, past RHNA efforts have spread housing allocations towards areas distant from jobs and transit - thereby pushing development further into sensitive ecological areas, increasing car-dependent suburban sprawl, and undermining SCAG's Sustainable Communities Strategy. Prior RHNA methodologies have also allowed some communities to use the RHNA process to largely exclude multifamily housing from their communities, resulting in sites designated for affordable multifamily developments often being located in lower-opportunity areas, far from transit and other amenities, and not competitive for affordable housing financing.

State law requires that the RHNA methodology include the factors listed in Gov. Code Section 65584.04(e)(1-12), to the extent data is available. The methodology must also further objectives related to providing adequate housing supply, promoting a better jobs/housing fit throughout the region, furthering fair housing, promoting infill, conserving sensitive environmental areas, and increasing affordability in all cities in an equitable manner. **All three of the proposed methodology options currently fall short of what is needed under the law and to make a meaningful impact in addressing our housing challenges.** As such, please consider the following modifications to all three of the proposed RHNA methodology options:

1. Add a new jobs factor. Since our housing crisis is most severe in places where job growth is high and housing production low, we must incorporate access to jobs as a critical factor in determining where housing is needed most. None of the three proposed options includes jobs as a factor. State RHNA law requires that methodologies promote

a better jobs/housing relationship throughout the region, particularly for low-income workers. Not including any provision for employment allows communities to add thousands of jobs without having to plan for complementary housing, thereby putting the responsibility on neighboring communities. In line with state law, the factor should include a metric that incorporates the number of lower-wage jobs and how many housing units within the jurisdiction are affordable to lower-income workers. In addition, efforts should be made to include jurisdictions that may not have many jobs but are located nearby and allow for efficient commuting to those jobs.

2. Increase the role of existing and future transit service as a factor. Our climate crisis demands that we alter our sprawling development patterns to meet our housing needs in a more sustainable manner, through compact infill development in close proximity to high quality mass transit. The methodology should better reflect this need by including and strengthening the importance of access to both existing and planned transit service.

Options 1 and 2 includes access to high-quality transit areas (HQTAs) as a factor in the methodology. However, Option 1 includes HQTAs only as a part of the existing need calculation, which significantly diminishes the factor's importance. Other jurisdictions such as the Association of Bay Area Governments (ABAG) have made HQTAs their largest factor, and areas with existing or planned transit infrastructure should be further expanded and emphasized in the SCAG options. While there are concerns that prioritizing transit access may increase the housing allocation for lower-income communities and decrease the allocation for higher-income areas, a stronger social equity adjustment (discussed below in #3) combined with tenant protections and replacement policies could mitigate such concerns and ensure greater housing choice and availability for residents of all income levels.

3. Strengthen the Social Equity Adjustment to Further Fair Housing Goals. It is important that the RHNA methodology recognize the important new requirement to not only *consider* fair housing goals, but affirmatively *further* fair housing objectives. This includes taking proactive steps to reduce disparities in housing needs and access to opportunity, as well as advancing integrated and balanced living patterns and reducing concentrated, racialized poverty. The current social equity adjustments in each of the three options are insufficient to meet this requirement and responsibility. This is due to the relatively minor adjustment factor as well as because the social equity components do not redistribute housing numbers across jurisdiction borders. After the initial RHNA calculations, the social equity adjustment should redistribute housing need away from lower opportunity areas that have historically accommodated growth and into wealthier, higher opportunity areas that offer access to jobs and transit.

The social equity adjustment should be increased to at least 175 percent, consistent with what has been used by ABAG in the Bay Area for the last two RHNA cycles. This is a critical part of the allocation process that should be maximized in order to address existing inequities in the housing market and provide greater access to affordable housing in more places around the region.

4. Remove Subjective Factors that Repeat Previous Outcomes. Despite significant evidence that the 5th Cycle RHNA methodology produced outcomes at odds with RHNA goals, and despite the fact that the State has now passed new legislation in order to produce more equitable outcomes, Options 1 and 3 continue to utilize subjective factors from past RHNA methodologies. Option 3, in particular, would be largely the same as

the 5th Cycle, and would continue to disproportionately skew RHNA towards lower-income areas and further away from job-centers. The use of projected housing need as a methodology factor in these options is inappropriately based on past housing production trends, which allows jurisdictions that have added very few units of housing to continue to do so in the future. These options, as drafted, would not address regional outcomes on fair housing, air quality, job-housing fit, and greenhouse gas emissions.

5. Maintain “Fair Share” Factors. It is important that everyone in the region play a role in solving the housing crisis. To that end, SCAG has included factors such as the current share of regional population and the share of housing units created in recent years. These are important factors that should be retained to promote a fair share allocation, balanced with the objective factors discussed above regarding access to jobs and transit. The City of Los Angeles has been a leader in adding new housing units, permitting tens of thousands of housing units in recent years. However, we are still in the midst of a severe housing shortage and affordability crisis. Los Angeles will continue to do its part, but we need all of the cities and counties across the region to rise to this challenge and make room for additional housing.

We are in the midst of an unprecedented housing crisis, a collective failure of our region to provide enough housing, in the right places, to keep costs under control and affordable to everyday, working people. The Regional Housing Needs Assessment is a critical process to ensure that all cities and counties have enough land set aside for the development of new housing. I look forward to working with SCAG as we determine the best way to allocate among local jurisdictions the additional homes that are needed to meet our existing and future demands.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Garcetti". The signature is stylized and includes a horizontal line extending to the right.

ERIC GARCETTI
Mayor