



City of Downey

September 13, 2019

Honorable Peggy Huang, Chair
Community, Economic and Human Development Policy Committee
Regional Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017

**SUBJECT: SCAG REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)
PROPOSED METHODOLOGY**

Dear Honorable Chair Huang and Honorable Committee Members:

The City of Downey appreciates the opportunity to provide formal written comments regarding the Southern California Association of Governments' proposed RHNA methodologies. The City is fully committed to doing its part to address the State's housing crisis and will continue to make every effort to increase housing capacity and supply in Downey. The City continues to plan for future growth—specifically new residential development—through major planning efforts, like the Downtown Downey Specific Plan. The Specific Plan area has already seen a number of development applications and is positioned to serve as a catalyst for revitalization of key neighborhoods.

Nonetheless, we are concerned with several aspects of the methodology SCAG proposes for the 6th RHNA Housing Cycle. Most particularly, we are concerned about SCAG choosing a methodology that fails to take into consideration the various factors affecting a jurisdiction's ability not only to produce housing but to meet the rigorous requirements for RHNA site identification established by newer state laws. Therefore, the City respectfully offers the following comments:

1. SCAG has indicated that the housing crisis is a result of housing production not keeping pace with growth over the last several decades. As such, the RHNA allocation for all jurisdictions is expected to be much higher than the 5th RHNA cycle. It is unrealistic and highly unreasonable to expect SCAG jurisdictions to correct a several decades old housing issue within a typical eight -year RHNA cycle. For most jurisdictions, including Downey, the result is a significantly higher 6th cycle allocation that is close to 300 to 1,000 percent higher than for the 5th cycle. The existing needs factor for the RHNA should either be removed or phased over several cycles.

Future Unlimited

CIVIC CENTER
11111 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-869-7331
www.downeyca.org

LIBRARY
11121 BROOKSHIRE AVE.
DOWNEY, CALIFORNIA
90241-7016
562-904-7360
www.downeylibrary.org

POLICE DEPARTMENT
10911 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-861-0771

PARKS & RECREATION
7850 GULL DR.
DOWNEY, CALIFORNIA
90242
562-904-7238

UTILITIES DIVISION
9252 STEWART & GRAY RD.
DOWNEY, CALIFORNIA
90241-7016
562-904-7202

MAINTENANCE SERVICES
12324 BELLFLOWER BLVD.
DOWNEY, CALIFORNIA
90242
562-904-7194

2. Adoption of several new housing bills (SB35, SB166, AB1397) already places significant pressure on local jurisdictions to meet their RHNA allocations. Despite the City of Downey's efforts to identify adequate sites in past housing element cycles, AB1397 will significantly increase the difficulty for jurisdictions to demonstrate the adequacy of sites. SB166 will require a jurisdiction to continually identify additional low-income housing sites when a developer chooses to develop market-rate housing. AB101/SB102 will financially penalize jurisdictions for not having an HCD-compliant housing element. The proposed RHNA methodology's inclusion of existing need will result in unattainable housing production goals, exacerbating an already difficult situation with respect to identifying and maintaining adequate RHNA sites consistent with State law.
3. As mentioned previously, the existing need factor for the RHNA should be removed or phased over several cycles. If the RHNA methodology continues to include existing need, the following changes should be implemented:
 - a. The redistribution of the above-moderate housing category among the very low-, low-, and moderate-income categories when determining existing need should be reconsidered. This approach establishes a disproportionate foundation for a jurisdiction's final allocation to be built upon. Above-moderate units are the only housing type as a whole category that can be built without some form of subsidy, tax break, or incentive provided to the builder. Without redevelopment funding and other financial tools in place, providing the needed subsidies has become ever more challenging for jurisdictions, even as we all face the challenge to build more housing at every socio-economic level to meet the needs of our communities. Cities must be able to find adequate sites for their allocated housing units in their housing element in order for it to be certified by HCD. Without a certified housing element, fines and other penalties can accrue to a jurisdiction, which then further reduces a jurisdiction's available resources to provide funding for very low- and low-income housing.
 - b. The use of construction industry data is not the most accurate method for determining housing development. The data is derived from industry surveys and third-party sources. The residential permit data in the methodology result in an undercount of the permits issued by the City of Downey between 2006 and 2018. The SCAG methodology shows 456 residential permits issued in that time frame. City records indicate that 561 residential units were permitted. We request that the building permit be updated to more accurately reflect the City's permit activity.

4. The finalized methodology should recognize existing constraints to housing growth in metropolitan communities, such as lack of vacant land, high land prices, open space deficits, and incompatible industrial uses. The draft RHNA methodologies include consideration of constraints such as open space, habitat, and wildlife areas applicable to already lower-density suburban locations, whereas the constraints facing urban areas are not considered. Factors such as major freeways and rail corridors limit development potential, as they require adequate buffers around those corridors from housing developments.
5. The City encourages SCAG to appeal the regional determination number assigned by HCD. It is not realistic to assume that HCD's need determination will be attainable within the current economic and regulatory environment. The 1,344,740 unit RHNA is alarming and presents serious concerns for our City and the region. The high RHNA allocation does not take into account the need to provide a corresponding level of infrastructure and essential public services, combined with the lack of funding for affordable housing or the difficulty in finding land for residential developments in metropolitan areas.
6. After considering the options proposed, the City supports RHNA allocation methodology option #3.

The City of Downey appreciates the time and effort that went into developing the proposed RHNA methodology. The City looks forward to working with SCAG as this process moves forward. Please let us know if you need additional information by contacting Crystal Landavazo, City Planner, at (562) 904-7154 or clandavazo@downeyca.org.

Respectfully submitted,

CITY OF DOWNEY
COMMUNITY DEVELOPMENT DEPARTMENT



Aldo E. Schindler
Director