



CITY of LAGUNA NIGUEL

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September 13, 2019

Honorable Peggy Huang, Chair
Regional Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017

Subject: Regional Housing Needs Assessment (RHNA) Allocation Methodology

Honorable Chair Huang and Honorable Members of the Regional Housing Needs Assessment (RHNA) Subcommittee:

The City of Laguna Niguel has reviewed the proposed Regional Housing Needs Assessment (RHNA) Allocation Methodologies and related information. We would like to express our appreciation to the RHNA Subcommittee, CEHD Policy Committee, Regional Council, and SCAG staff for their efforts in attempting to establish an equitable RHNA that complies with new State housing law.

The City remains committed to acting in good faith throughout the 5th RHNA cycle and is on track to meeting its current RHNA obligation. During the 5th RHNA cycle, the City of Laguna Niguel has entitled and/or constructed approximately 1,552 housing units, including 79 low and very low income housing units.

After careful review of the three methodology options, the City offers the following comments:

- 1) As has been noted by numerous commenters to date, it is absolutely critical that local data be utilized as the cornerstone for the final RHNA methodology.

SB 375 of 2008, the landmark climate change legislation, integrated regional planning for transportation and housing, including a Sustainable Communities Strategy. SB 375 requires that:

"Each metropolitan planning organization shall prepare a sustainable communities strategy ... including the requirement to utilize the most recent planning assumptions considering local general plans and other factors."

State RHNA law also requires that the determination of regional housing need:

“... shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.”

As noted in the first excerpt, the population forecast upon which the RTP/SCS is based utilizes planning assumptions included in local general plans. Therefore, it seems clear that any RHNA methodology that does not consider local input would be contrary to the intent of the State Legislature.

Furthermore, any RHNA methodology that does not consider local conditions, as expressed in local General Plans, would ignore more than a half-century of State and Federal planning policy requiring comprehensive planning. Local General Plans and their development policies and assumptions must reflect a wide range of issues including sensitive environmental resources such as endangered species habitat, public safety hazards such as wildland fire zones, flood zones and geotechnical hazards, and infrastructure constraints such as water supply and the availability of public wastewater systems.

With particular regard to the City of Laguna Niguel, in 2011, the City undertook a significant planning effort to consider the redevelopment and intensification of available land, referred to as the Gateway Specific Plan. Best practices for siting of residential development near public transit is a key component of the Plan, which also encourages residential development at varying income levels and at significantly higher densities (up to 120 dus/acre) than exists within the greater south Orange County area. As previously noted, these efforts have been successful at yielding actual construction of a significant number of units that are also thoughtfully integrated into the fabric of the existing community.

The City is extremely concerned with any methodology that would undermine this delicate balancing act and the progress made to date, which includes any approach not firmly rooted in local input data and/or that substitutes regional, state or federal data that fails to take into account the qualities and characteristics unique to Laguna Niguel.

Lastly, as SCAG staff has correctly noted in every RHNA staff report, SCAG was required to conduct a survey of “local planning factors” to identify local conditions and explain how each of the factors are incorporated into the proposed methodology. A simple mathematical calculation of local housing allocations based only on jurisdictions’ total population or population within transit-rich areas would render the local planning factors survey completely meaningless and therefore be contrary to State law.

- 2) At a minimum, every jurisdiction should be obligated to provide for its own projected housing need. Under certain methodologies, some jurisdictions would receive a total RHNA (projected need plus existing need) significantly lower than even its own projected housing need. In addition to the issues noted in Comment No. 1 above, this would result in duplicative planning efforts that require jurisdictions to accommodate the housing needs of other jurisdictions. Any such approach would be inefficient, overly burdensome, and raises significant equity issues.

- 3) The City does not support redistribution of the above moderate category. One of the major problems with the removal of this income category is that it limits potential future housing stock planning and construction for lower income households to move into as their socioeconomic situation improves, which would be contrary to affirmatively furthering fair housing as outlined in Government Code Section 65584(d)(5). Additionally, the related social equity adjustment factor would not comply with Government Code Section 65584(d)(4) in that it would actually allocate greater proportions of housing need to lower income categories within jurisdictions that already have a disproportionately high share of households in that income category.
- 4) The City supports the concept of recent building activity as a factor to be considered as part of the final RHNA allocation methodology. However, as currently proposed, it is the City's understanding that the same value would be assigned to all recently constructed units. For example, greenfield development in jurisdictions with significant undeveloped areas would be assigned the same value as redevelopment within largely developed jurisdictions. This runs contrary to best planning practices on numerous fronts and puts largely developed jurisdictions, including Laguna Niguel, at a significant competitive disadvantage with regard to benefiting from such a provision due to the increased complexity associated with redevelopment. As noted, the City has taken a decisively proactive approach to addressing the regional housing need commencing with adoption of the Gateway Specific Plan. It is our contention that where jurisdictions have shown such initiative, superior housing solutions that better take into account the full complexity of related land use implications can (and have) been achieved, and should therefore be permitted to continue unhindered to the extent possible by State intervention.

In conclusion, the City of Laguna Niguel implores SCAG to preserve the integrity of the local input process in establishing any RHNA methodology. Ignoring local input would be disastrous to many jurisdictions throughout the region and will result in many jurisdictions being unable to obtain a certified housing element. Among the three allocation methodologies provided, the City believes that Option 3 most appropriately utilizes local input. However, this could be improved through increased value being placed on on-going construction of housing units as part of redevelopment (vs. new construction) activity. If SCAG proposes a new methodology or some hybrid of the proposed methodologies, the City requests that SCAG provide additional opportunity for public comment and review.

The City strongly encourages SCAG to provide a presentation to the RHNA Subcommittee, CEHD Policy Committee, and the Regional Council regarding state housing law with which local jurisdictions are obligated to comply. It is imperative that elected officials clearly understand how jurisdictions will be impacted by their potential inability to plan for an unreasonable RHNA obligation. The City also strongly encourages SCAG to outline the appeals and redistribution process.

The City recognizes and appreciates the time and effort provided by everyone on this important and complex issue and for your consideration of these items. Please let us know if you need any additional clarification or have any questions.

Sincerely,



Jonathan Orduna
Community Development Director