



THE CITY OF
SAN FERNANDO

CITY COUNCIL

September 13, 2019

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

SUBJECT: Comments on Proposed Regional Housing Needs Assessment (RHNA)
Methodology

Dear Honorable Peggy Huang:

The purpose of this letter is to transmit the City of San Fernando's comments on the proposed RHNA methodologies for the upcoming 6th Cycle. First, I would like to reiterate San Fernando's track record as a responsible local jurisdiction committed to adhering to the objectives of Housing Element law. **Per the approved 2018 Annual Progress Report for the 5th Cycle, San Fernando has achieved more than half of its very low-income housing unit allocation, has already exceeded its low-income allocation by over 325%, is on pace to surpass its moderate-income allocation during this calendar year, and has achieved more than 42% of its above moderate allocation. Combined, San Fernando has already achieved 93.5% of the total housing units allocated for the 5th Cycle.**

Second, while San Fernando finds Option 3 to be the most acceptable methodology for determining local housing need, several modifications are recommended to the overall determination of the proposed options. These recommended modifications are shared in detail below.

Address existing and projected housing need over multiple RHNA cycles

At minimum, this allocation should be apportioned over multiple RHNA cycles. It is senseless for the state to require that a deficit in existing housing generated over multiple decades be corrected within 8.25 years. Compounding the existing need allocation with projected housing need makes the 6th Cycle allocations even more unrealistic. Further, basing punitive measures, which exist under SB 35 and other recent legislation, upon unattainable targets is bad public policy.

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Establish a Baseline RHNA allocation for all jurisdictions

Given its track record as a responsible local jurisdiction, San Fernando is troubled by the relative inaction by some other local jurisdictions on affordable housing.

Establishing a baseline RHNA allocation helps address some of the iniquities of the current 5th Cycle, and ensures that every jurisdiction within the SCAG region participates meaningfully in providing housing units in their community.

As a corollary, **the methodology should factor and provide credit for any surplus of affordable housing units produced during the current cycle.** This would prevent local jurisdictions from a quandary whereby they might wish that housing stock construction be delayed simply to have it count towards the 6th Cycle allocation.

Utilize the Social Equity Formula to determine both existing and projected housing need

This would better address the disproportionate shares of affordable housing provided in lower income, predominately minority jurisdictions in comparison to higher income, less diverse jurisdictions. Consider a greater than 150% social equity adjustment and apply it to both existing and projected need.

Rethink the High Quality Transit Area (HQTA) factor

HQTA's often exist in primarily urbanized, less affluent parts of the SCAG region. It can be reasonably concluded that within Options 1 and 2, the 20% allocation of the determination based on a jurisdiction's share of regional population within an HQTA ignores certain realities in many jurisdictions containing HQTA's. **Such areas have already confronted two hardships, the first being the challenges that disadvantaged communities face to attract development of every type, and the second being making available public transit within their communities.** The HQTA factor seems to let other communities that haven't already addressed these two challenges off the hook.

Lastly, the City of San Fernando reserves its right to appeal not only its ultimate 6th Cycle allocation, but also the allocations for any other local jurisdictions. Last month, the California Department of Housing and Community Development (HCD) provided SCAG with its regional housing need determination of 1,344,740 total units to distribute among its local jurisdictions. This number far exceeds the number adopted by SCAG, which was determined based upon local input of approximately 430,000 total units.

The City strongly suggests that SCAG appeal the regional housing need determination from HCD. This is critical as SB 35, and other recent legislation,

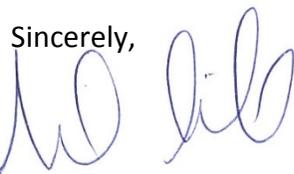
THE HONORABLE PEGGY HUANG

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have now armed the RHNA allocations with real regulatory repercussions. Ultimately, SCAG must certainly recognize that HCD's determination equates to a **RHNA allocation for most local jurisdictions that does not mesh with either basic economic theory or fiscal reality.** The market cannot support this many housing units nor can existing or planned public infrastructure. **Building sufficient infrastructure to even support this extent of housing would put many jurisdictions at risk of insolvency.** Further, requiring local jurisdictions which have worked diligently to achieve current RHNA allocations to now designate significant amounts of multi-family, commercial and industrial land to higher-intensity residential may understandably result in a rebuttal at the community level.

San Fernando appreciates SCAG's time and effort on this challenging planning issue and we thank you for your consideration.

Sincerely,


Nick Kimball
City Manager

cc: San Fernando City Council
Timothy Hou, Deputy City Manager/Director of Community Development
Rick Olivarez, City Attorney
Kome Ajise, SCAG
Ma'Ayn Johnson, SCAG