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September 13, 2019

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

RE: REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY

Dear RHNA Subcommittee Chair Huang,

On behalf of the City of San Gabriel, we are writing to comment on the proposed RHNA allocation methodologies that were released earlier this month. We would first like to thank the Southern California Association of Governments (SCAG) and the RHNA Subcommittee for developing the proposed methodologies for the SCAG region and for the opportunity to comment on these methodologies.

REGIONAL COUNCIL ACTION ON HOUSING AND COMMUNITY DEVELOPMENT DETERMINATION

Before providing comments on the methodologies, we would like to express our support for the Regional Council's action – taken at its meeting on Thursday, September 5 – to object to the State Department of Housing and Community Development's (HCD) regional determination for the SCAG region of 1,344,740 housing units. San Gabriel is a member of the San Gabriel Valley Council of Governments (SGVCOG), which is comprised of 34 diverse member jurisdictions and is the largest sub-regional government entity in Los Angeles County. We concur with the assessment of the SGVCOG and the SCAG staff analysis that HCD's calculation of the regional determination did not follow the requirements of Government Code 65584.01(c)(2)(A) and (B) by not using SCAG's population forecast and not reasonably applying the methodology and assumptions to calculate the regional determination. To that end, we support the action taken by SCAG to date and would welcome the opportunity to comment on any future revisions to this determination.

RHNA METHODOLOGY

This RHNA cycle is particularly important because in this Cycle, for the first time, the State is imposing penalties on those cities that do not have their Housing Elements certified by HCD. Cities that do not have a compliant Housing Element and do not act to bring themselves into compliance within 12 months could be assessed **significant** monetary penalties. In addition, certain multi-family affordable housing projects that are proposed in local jurisdictions that have not met regional housing needs could be subject to a streamlined, ministerial review process, which may be perceived as either an opportunity or, alternatively, an attempt to circumvent local land use regulations. In light of these potential consequences, it is critical that the final RHNA methodology do the following:

- Acknowledge recent housing development. The final RHNA methodology should provide credit to jurisdictions where housing construction has occurred during the 5th RHNA cycle.
- Acknowledge existing growth constraints. Consideration of growth constraints, as well as other urban areas, should be incorporated into the final methodology.
- Use consistent and meaningful terminology by aligning the definition of High Quality Transit Area (HQTA) with Cap and Trade purposes for the purpose of RHNA.
- Use local input as a foundation. Local input has always been the foundation of RHNA's planning process, and for good reason. Local input provide a real-world perspective on local housing opportunities and constraints at the jurisdiction-level, which is not present in the one-size-fits-all RHNA allocation factor.
- Be accurate, equitable, and defensible. There are significant repercussions for cities that do not site units allocated. To that end, it is important that the process result in a distribution that is based on up-to-date data, is equitable region-wide, and can be defended.
- Acknowledge the role of local governments in construction planning. It is not local jurisdictions that build housing but rather the private sector. RHNA planning target should not be confused with housing production.

It is unclear at this time whether HCD will revise their determination of units to SCAG and/or if SCAG will revise the methodologies proposed. Based on the overall allocation and methodologies currently proposed, the total RHNA estimates for the City are 3,092 housing units (under Option No. 1), 2,929 housing units (under Option No. 2), and 2,170 housing units (under Option No. 3). In the absence of any revision in either circumstance described above, the City supports Option No. 3, allocated between four income categories (very low, low, moderate, and above moderate).

The City of San Gabriel appreciates the inclusive stakeholder process SCAG has undertaken and we look forward to continued opportunity to comment on specific proposals as they are developed and/or revised. Questions, inquiries, and comments can be directed to the Planning Manager, Tracy Steinkruger, at tsteinkruger@sgch.org or 626-308-2806.

Sincerely,



Arminé Chaparyan
Assistant City Manager / Community Development Director
City of San Gabriel

Cc: Mark Lazzaretto, City Manager
Tracy Steinkruger, Planning Manager