

September 13, 2019

Kome Ajise, Executive Director  
Southern California Association of Governments, RHNA  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017

Subject: Southern California Association of Governments' Draft Housing  
Needs Allocation for the 6<sup>th</sup> Cycle Regional Housing Needs  
Assessment (RHNA)

Dear Executive Director Ajise:

The City of Thousand Oaks appreciates the opportunity to provide comments on the proposed 6<sup>th</sup> cycle RHNA Allocation for 2021-2019. The City recognizes and appreciates the Southern California Association of Governments' (SCAG) efforts to facilitate regional coordination on housing and related issues.

We therefore respectfully submit the following comments and suggestions for your consideration.

### **HCD Regional Determination**

On August 22, 2019, the California State Department of Housing and Community Development (HCD) issued its Regional Housing Need Determination for the SCAG region for the 6<sup>th</sup> cycle RHNA. HCD has identified a housing target of 1,344,740 dwelling units for the SCAG region, which is subdivided into housing need by income category. SCAG's draft RHNA allocation is based on these housing targets, and therefore City comments will first address HCD's determination, as follows:

1. ***Overall Housing Target for the SCAG Region:*** The 5<sup>th</sup> RHNA cycle (2014-2021) allocated 412,137 units to the SCAG region. The proposed 6<sup>th</sup> cycle allocation of 1,344,740 units is more than three times higher than before, resulting in unrealistic housing targets for the next RHNA cycle. It should also be demonstrated that there is adequate infrastructure, including water, to support such a high regional housing determination.

2. **Existing Housing Stock Discrepancies:** HCD's draft 5<sup>th</sup> RHNA cycle determination letter states an existing housing stock of 6,348,741 units for the SCAG region (HCD letter dated August 17, 2011). The current RHNA determination has an estimated housing stock of 6,250,261 units in 2021 (HCD letter dated August 22, 2019), resulting in a decrease of 98,480 units over 10 years. This is not consistent with data from the Construction Industry Research Board, which reported that 490,807 permits for new housing units were issued from 2006 to 2018 for the SCAG region. In addition, HCD's analysis of regional need in its letter dated August 22, 2019 does not appear to reflect housing production over the prior RHNA period, resulting in commensurately higher housing targets for the next RHNA cycle.
3. **Existing Housing Need Proportion:** The overall target of 1,344,740 units is composed of future housing needs due to population increase, plus existing housing needs based on vacancy, overcrowding, replacement and cost burden factors. Future housing need per HCD is 551,499 dwelling units (41% of total), and existing housing need is 793,241 units (59%). The formula for existing housing need results in unrealistic housing targets.
4. **Overcrowding and Cost Burden:** HCD's overcrowding adjustment is overly weighted. For example, HCD's overcrowding and cost burden adjustment accounts for 580,335 units, which is more than the 551,499 units attributed to projected population growth. There is a significant potential for double-counting current housing need factors because it is reasonable to assume many of the cost-burdened population are also residing in overcrowded conditions. In addition, HCD's overcrowding rate of 6.76% is not consistent with Thousand Oaks' rate of 1.3% (City of Thousand Oaks Housing Element dated July 2013).
5. **HCD/SCAG Population Forecasts:** HCD does not use SCAG's population forecast and planning assumptions for the 2020 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS), and therefore local efforts to accommodate HCD's forecast will result in inconsistencies with the RTP/SCS growth forecast.
6. **Objection to HCD's Regional Determination:** HCD's determination of a need for 1,344,730 housing units in the SCAG region from 2021-2029 is based on theoretical assumptions and forecasts, which do not reflect local capacity to produce housing. Such a significant increase in the regional housing target places an unrealistic burden on local jurisdictions, effectively



trying to fit housing needs over the next several RHNA cycles into the 2021-2029 period. **Therefore, the City strongly recommends that SCAG object to HCD's Regional Housing Need Determination, pursuant to Government Code 65584.01(c)(1).**

### **Draft RHNA Allocation Methodology**

SCAG has identified three preliminary options for allocating HCD's target of 1,344,730 units among cities and counties in the SCAG region.

Upon review of the methodology options and criteria, the City is concerned with a "one size fits all" regional approach and wants to emphasize the importance of local factors in determining the final allocation methodology. In addition, the common denominator in all options is HCD's high regional determination, as discussed above. With regard to SCAG's draft RHNA allocation methodology, we offer the following comments:

1. ***Inconsistency with Local Input:*** All three options result in preliminary targets that do not reflect local input. Based on our letter to SCAG regarding the 2020 RTP/SCS growth forecast (dated October 1, 2018), a realistic housing target for the next RHNA cycle would be approximately 1,510 housing units. The three options identified by SCAG, however, result in a preliminary range of 5,940 to 7,276 housing units for the 6<sup>th</sup> RHNA cycle (2021-2029) for Thousand Oaks, which is at least four times higher than the City's estimate. SCAG's distribution options also include very high targets for lower income households (46% to 63% of the total), which is not realistic.
2. ***Social Equity:*** While the 110% Social Equity Adjustment reasonably matches the income distribution percentages previously awarded during the 5<sup>th</sup> Cycle RHNA allocation for the City, the 150% adjustment is unobtainable when using the HCD existing need factor as a multiplier. Thousand Oaks experiences a relatively low number of development applications due to limited land availability, and, in the post-Redevelopment Agency era, must rely on private investment and affordable housing partners to construct affordable units in combination with market rate units. This restricts the number of affordable units that can realistically be constructed.



3. ***Draft RHNA Allocation Options:***

- a) Option 1: Thousand Oaks recognizes the importance of affordable housing; however, this option allocates 92% of the total number to income categories of moderate income and below. This is not a feasible target.
- b) Option 2: The City does not support this option as it does not include local input data and relies solely on population and High Quality Transit Area factors which are not available in the City.
- c) Option 3: Of the three options, this is the most appropriate, as it considers local population estimates as part of its formula, as well as a more reasonable distribution of units by income category. Nonetheless, this option still results in a housing target of 5,940 units over an 8-year period, which is not realistic, nor reflective of prior local input. It is driven largely by HCD's high regional determination for the SCAG area, as discussed above.

**State Mandates and Housing Legislation**

Jurisdictions face an inherent conflict planning for the RHNA allocation and complying with state housing laws, which are also often contrary to community planning best practices and state goals regarding environmental sustainability. The City requests that SCAG include the following laws in their appeal of the final RHNA determination:

1. Government Code Section 65583 (a)(3) which requires a "realistic and demonstrated potential for redevelopment" of sites identified to meet the housing needs under the RHNA allocation.
2. Government Code Section 65583.2 (c) deems non-vacant and vacant sites previously identified in the last two Housing Cycles inadequate for use during the 6<sup>th</sup> Cycle. This places a very high burden on cities with limited land inventory to demonstrate that sites can feasibly be developed, based on available infrastructure, willing property owners, and lease restrictions.
3. Government Code Section 65863 requires a "no net loss" policy on housing sites that are not developed at the identified share of the RHNA allocation in the two, or more, previous cycles. This presents significant challenges to jurisdictions such as Thousand Oaks with limited land inventory.



### Local Factors

Local factors, as mentioned above, should be the foundation for housing projections. The following local factors are directly relevant to the restricted availability of land in the City for future development, and are not taken into consideration in SCAG's methodology:

1. **Topography:** Approximately 42% of the Thousand Oaks Planning Area consists of steep topography in excess of 25% slope gradient.
2. **Natural Open Space:** The City has a public open space system that is the result of over 50 years of local efforts to preserve the natural environment. These areas contain sensitive habitats and resources, including creeks, barrancas, oak groves, and threatened and endangered species.
3. **Fire Hazard:** More than half the Planning Area is located within a High Fire Hazard Zone, which must be considered in relation to land availability.
4. **Limited Building Sites:** Thousand Oaks is largely built-out, with many established neighborhoods, few vacant parcels, and limited sites suitable for redevelopment in the next RHNA cycle.

### General Plan Update

Earlier this year, Thousand Oaks began a comprehensive update of its General Plan, to be based on a thoughtful discussion of the City's future from 2020 to 2045. This will include a careful evaluation of housing opportunities and constraints in line with Housing Element law. This is an ideal opportunity for the community to discuss housing needs, options, and sites. A realistic HCD regional determination, coupled with an appropriate methodology for RHNA allocation and public input, is the foundation for a solid, and achievable, housing strategy.

### Conclusion

The City appreciates the opportunity to provide feedback, and SCAG's key role in coordinating a strategy to meet housing needs in the region. The City recommends that SCAG file an objection on the HCD Regional Need Determination and recommends a methodology that is based on local input with regard to housing opportunities in the community.



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We would be happy to respond to any questions about this response. Please direct your questions to Iain Holt, Senior Planner. He can be reached by phone at 805 449-2314 or by email at [iholt@toaks.org](mailto:iholt@toaks.org).

Sincerely,



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Mark A. Towne, AICP  
Community Development Director

H/Common/Planning/Advance Planning/RHNA 6<sup>th</sup> cycle

