

November 6, 2019

City Council

Acquanetta Warren Mayor

Jesse Armendarez Mayor Pro Tem

John B. Roberts
Council Member

Jesus "Jesse" Sandoval
Council Member

Phillip W. Cothran Council Member SCAG Regional Council Attention: Kome Ajise, Executive Director 900 Wilshire Boulevard, Suite 1700 Los Angeles, CA 90017

RE: Regional Housing Needs Assessment (RHNA) Methodology

Dear SCAG Regional Council:

We certainly appreciate the efforts and diligence of the SCAG Regional Council and its staff on working through the methodology and the housing unit numbers that have been given this region from the Department of Housing and Community Development (HCD). We understand that the region received approximately 1,341,827 housing units that must be planned for in the 6th RHNA (Regional Housing Needs Assessment) Cycle. We also understand that there are several reasons why there is an increase in the 6th RHNA numbers compared to the 5th cycle RHNA numbers. The 6th cycle RHNA applies a completely different housing need adjustment factor to the region's total projected households, thus capturing existing and projected need. With all that said we feel like it is imperative to highlight some concerns that the City of Fontana has with the RHNA Methodology that is being used to formulate the distribution of numbers, especially to the City of Fontana, which are approximately 23,000 units.

The City of Fontana has the following concerns with regard to the methodology and the total numbers that are assigned to us:

The use of the 50% household growth for 2030-2045

The re-allocation of units based on the 50% household growth for 2030-2045 is beyond the RHNA cycle of 2021-2029. This projected growth is beyond the projected growth in the City of Fontana General Plan. This additional growth from the growth projection on the Connect SoCal (Regional Transportation Plan) is unplanned for and the City does not have the infrastructure to support this additional growth. Additionally, our General Plan shows that during the RHNA period of 2021-2029, the City could only accommodate approximately 7,500 units. The proposed growth projection is three (3) times higher than what the City can accommodate.

Lack of jobs in City Limits

Although the City is making every effort to attract large retail businesses a large majority of our jobs are part-time and/or low paying and a large majority of the high paying jobs are outside of the City of Fontana. Over 50 percent of our residents drive to employment centers that are more than 30 minutes away such as Los Angeles and Orange County for employment. Attachment No. 1 (Appendix No. 1 of our 2015-2035 General Plan) to this letter provides some statistical information that further details this point. As supported by the data there are not enough jobs in the city limits to support our current population, not including the future residents from the approximately 23,000 additional housing units. The majority of those additional residents would have to commute to jobs outside the city limits. This would extend the travel commute for residents and exacerbate traffic congestion which would affect the air quality and have a negative effect on infrastructure in the undeveloped areas, thereby resulting in urban sprawl. Therefore, we feel like the proposed methodology does not sufficiently factor in the lack of jobs within the city and would encourage urban sprawl, which is contrary to the goal of the Connect SoCal and RHNA objectives.

Limited Amount of Vacant Land Available for Development in Fontana

The City has a few vacant properties that are unentitled/vacant and available for future development. Attached is a map (Attachment No. 2) that shows the unentitled/vacant properties for the City of Fontana. As seen on the map there is approximately 1,958 acres of vacant land that is still remaining to be entitled and build upon. The lack of unentitled/vacant land should factor into the RHNA methodology.

Lack of Market for High Density

Since the start of the 5th cycle to current date the City has not had a single high-density project (24 du/ac or more) constructed because they're not viable, nor is there a market for the density at that level. As seen on Attachment No. 3 (2019 City of Fontana Local Profile from SCAG) over 82 percent of the new residential units built within our city limits are single-family detached/attached. The remaining percentage of units are mobile homes and multi-family with densities less than 24 du/ac.

The City of Fontana encourages the SCAG Regional Council and staff to continue working with HCD to set up housing programs and/or provide additional funding for backbone infrastructure (i.e. sewer, water, and storm drain) and provide gap funding so the City of Fontana and other cities in the region can partner with affordable housing developers to build housing. This would definitely assist local jurisdictions and help provide the framework so that developers can construct units especially at the higher density ranges which would help us actually meet and carry out the five (5) objectives of the RHNA.

Should you have any questions regarding this approval, please contact, Zai AbuBakar, Director of Community Development, at (909) 350-7625 or by email at Zabubakar@fontana.org.

Sincerely,

Office of the City Manager

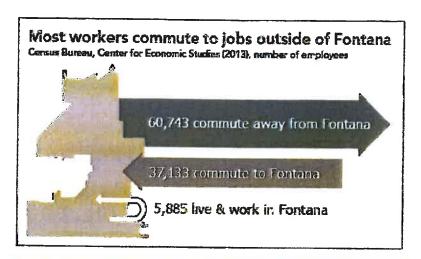
Michael Milhiser / Interim City Manager

Attachments:

- 1. Commute to jobs
- 2. Buildable/Vacant Properties Map
- 3. Housing types built

cc: Mayor and City Council Members
Debbie Brazill, Deputy City Manager
Zai AbuBakar, Director of Community Development
DiTanyon Johnson, Senior Planner
Josh Lee, Chief of Planning, San Bernardino County Transportation Authority

Commute to Jobs



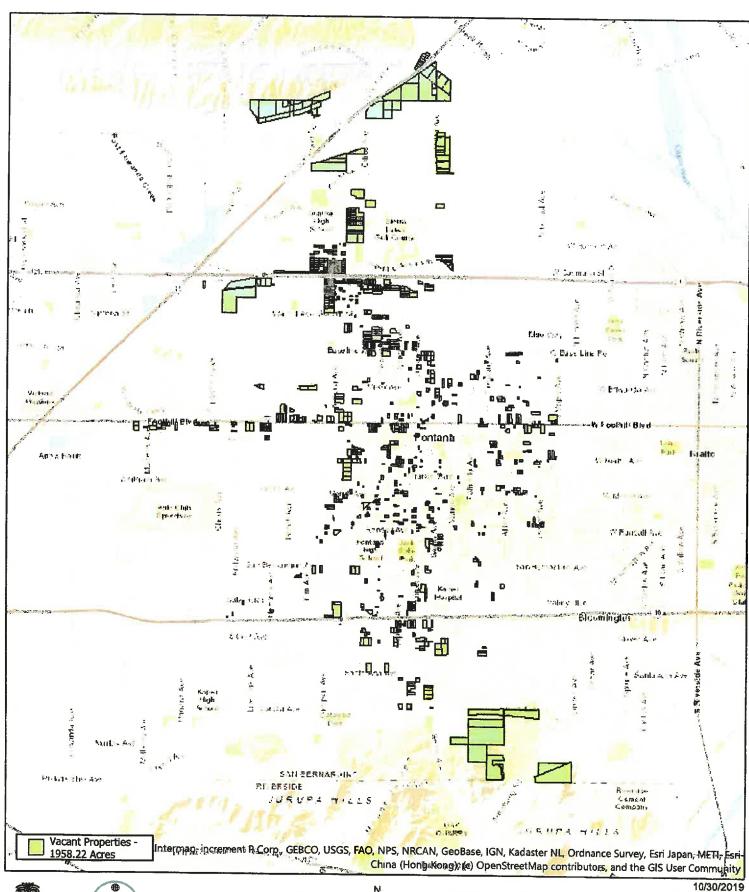
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1. Fontana	5,809	9.94%
2. Ontario	5,176	8 86%
3. Los Angeles	5,018	8.59%
4. San Bernardino	4,169	7.14%
5. Rancho Cucamonga	4,102	7.02%
6 Riverside	2,810	4.81%
7. Pomona	1,411	2.41%
B. Upland	1,256	2,15%
9. Rualto	1,180	2.02%
10 Chino	1,103	1.89%
All other destinations	26,395	45.17%

Sources: Sources: U.S. Census Bureau, 2014, LODES Data; Longitudininal-Employer Household Dynamics Program, 2011

Retail

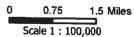
The City of Fontana has a generally well-balanced retail gap that shows a small surplus of retail sales. Fontana's total retail sales amount of \$1,575,513,436 is slightly higher than the estimated retail potential of \$1,565,252,356, a \$10,261,080 or 0.3% retail surplus. This means that there is more supply than there is demand within the city and people from outside the city are making purchases in these categories. The surplus is in the categories of motor vehicles and parts dealers (14.3% surplus), automobile dealers (13.1% surplus), and auto parts, accessories and tire stores (34.3% surplus). The city also has retail surpluses in the building materials (4.4%), health and personal care stores (10.5%), gasoline stations (18.4%), general merchandise stores (11%) and food services (4.4%) sectors . Retall "leakage," which means that Fontana residents have to go outside the city to satisfy their demand, is in the categories of electronics and appliances (65.4% leakage), furniture and home furnishings (56.3%), clothing and clothing accessories (27.8%) and clothing stores (24.5%).

Unentitled/Vacant Properties











ATTACHMENT NO. 2

City of Fontana

HOUSING TYPE

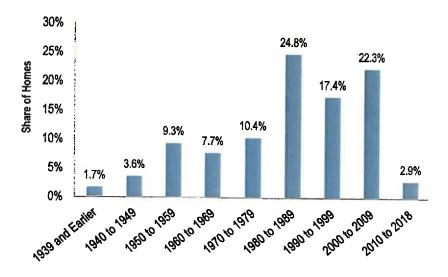
Housing Type by Units: 2018

Housing Type	Number of Units	Percent of Total Units
Single Family Detached	43,465	79.9 %
Single Family Attached	1,263	2.3 %
Multi-family: 2 to 4 units	2,126	3.9 %
Multi-family: 5 units plus	6,030	11.1 %
Mobile Home	1,548	2.8 %
Total	54,432	100 %

- **★** The most common housing type is Single Family Detached.
- ★ 82.2 percent were single family homes and 15 percent were multi-family homes.

Source: California Department of Finance, E-5, 2018

Age of Housing Stock: 2018



Source: U.S. Census American Community Survey; Nielsen Co.

- ★ 22.3 percent of the housing stock was built before 1970.
- ★ 77.7 percent of the housing stock was built after 1970.

Southern California Association of Governments