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October 20, 2020

RHNA Appeals Committee  
Southern California Association of Governments  
900 Wilshire Blvd, Suite 1700  
Los Angeles, CA 90017

### **SUBJECT: City of Downey Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal**

Honorable Chair and Honorable Committee Members:

The City of Downey is committed to promoting the development of a mix of quality housing developments throughout the City to increase its available housing supply. The Housing Element update process provides each community the opportunity to thoughtfully examine its current policies and evaluate the best comprehensive approach to address the growth that they will experience. This is a valuable process that the City enters into with high regard for the intended objectives but desires to produce a plan that will set forth attainable goals and outcomes. The exponential increase in the 6<sup>th</sup> RHNA cycle allocation compared to the 5<sup>th</sup> RHNA cycle allocation has caused significant concern to the potential for development of an achievable housing plan. As such, the City is submitting this request for an appeal of its 6<sup>th</sup> RHNA cycle appeal.

### **Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):**

SCAG has indicated that past Housing Element update cycles have fallen behind in addressing the rate of growth in the area resulting in larger RHNA allocations for all jurisdictions during this RHNA cycle. The need to reduce the discrepancy is understood and valued; however, a community such as Downey, despite its commitment to meeting its share of this need, faces several constraints to meeting its exponentially larger 6<sup>th</sup> cycle RHNA allocation.

The City of Downey is a built-out urban area with limited land availability and an existing infrastructure that is aged more than 50 years. Improvements and upgrades to existing systems will be required throughout implementation of the eight year housing cycle because additional units will result in additional demand on the existing water and sewer systems. The cost of such improvements serve as a deterrent to housing developers who are not able to bear the cost of infrastructure improvements in addition to land and construction costs.

The intent of SB 166 is to ensure that properties identified for housing development are utilized to their full capacity throughout the housing cycle. The inadvertent concern is that this may slow the development of housing units in the effort to maximize the full capacity of property available for potential development. Despite seeming counterintuitive, not all developers are interested in maximizing the number of units on a property. This can result from various factors such as meeting parking requirements to incurring infrastructure improvement costs, resulting in the City being required to deny a potential project if there are no other viable properties compliant with AB 1397 to supplement the remaining potential number of housing units from an underdeveloped site.

These constraints are faced by many of cities struggling to address larger RHNA allocations than they have previously been assigned. The City of Downey is ready to plan for its share of the region's need but, seeks assistance to ensure that it plans for a fair share of that need. Paragraph (3) of subdivision (a) 655584 of Section 65584 of the Government Code declares that insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals. As such, paragraph (3) of subdivision (d) of Section 65584 states one of the objectives of regional housing needs allocation plans is to ensure that all regions promote an intraregional relationship between jobs and housing. Achievement of this goal requires an appropriate distribution of housing need projection that are representative of the existing and future conditions of the region and the jurisdictions they encompass. The revision requested by the City of Downey is to seek the achievement of this objective by conducting an assessment that is reflective of the City's projected population and job growth.

The City of Downey provided Local Input on the SCAG SED Estimates/Projections and Data/Map Book which identified several discrepancies with the maps and GIS data as well as an overestimation of growth forecasts in the City with the greatest being employment forecasting. The City of Downey provided a response identifying that the baseline population estimate was higher than Census estimates and the California Department of Finance population estimates. The overestimated baseline multiplied the growth forecast and projections for the City of Downey. The use of overestimated data input into the RHNA methodology for allocation could have resulted in a larger allocation than appropriate for the City. Due to the importance of achieving proper distribution of housing near employment centers, it would be prudent to review and ensure representative data was used.

**Brief Description of Appeal Request and Desired Outcome:**

The City of Downey is requesting consideration of a revision to its 6<sup>th</sup> RHNA cycle allocation in an effort to ensure that the City is in a position to reasonably attain the objectives of Government Code Section 65584. The City aims to promote an increase in its housing supply and diversification in the type of housing availability throughout the City; however, the limitations of a built-out urban community restrict some of the potential to achieve these goals.

In the prior RHNA cycle, the City promoted infill development and worked with developers to permit 561 residential units throughout the last eight year cycle. This development was a result of the City's focus on infill development which included the rezoning of some commercial and manufacturing zoned properties to designate them as residential to allow for high density residential development.

This request for a new assessment of its 6<sup>th</sup> RHNA cycle allocation is a result of the City's sincere and earnest approach at developing a successful Housing Element update. The City is aware of the existing constraints that exist for this metropolitan community and the various factors that contribute to successful housing developments. The City is seeking a reassessment of the data used in determining allocation to ensure that this allocation is appropriately attributed.

In an effort to ensure that the regional need is properly distributed, an assessment to verify that the data used in the allocation was accurate and representative of Downey's existing community and projected growth is reasonable. The City requests the data sources used to input the City's growth estimations accurately represent the City's current conditions and projected growth. In prior estimations provided by SCAG, the data sets overestimated the City's growth forecasts by 8.6% to 13.4% in different categories. Such percentage differences can result in a skewed result that would have significant impacts on the City's 6<sup>th</sup> RHNA cycle.

The City of Downey's existing constraints and the adoption of several new housing bills (SB35, SB166, AB1397) foster a challenge to the successful implementation of the Housing Element update. The City is committed to promoting the development of a mix of quality housing units throughout the community to satisfy its share of the need for residential growth in the region but, it does want to ensure that it is planning for its fair share of the need.

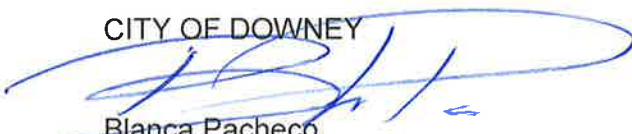
In SCAG's September 18, 2019 letter to HCD, significant concern was expressed over the use of a projection that was 1.32% over SCAG's population forecast. As further discussed in the letter, the proper use of current, accurate, and representative data is very impactful when assessing housing needs for the region. Similarly, the City of Downey is concerned that accurate and representative data was used in the determination of its allocation. An overestimation in its growth potential would result in additional burden added to the existing constraints that the City contends with in attempting to achieve a viable Housing Element update.

This request is made with understanding of the difficult position that HCD has created for SCAG by not accepting the September 18, 2019 letter and its valid interpretation of Government Code 65584.01(a) and 65584.01(c)(2)(B). The City of Downey is requesting similar consideration to ensure that appropriate data is utilized in determining its allocation to allow the City to develop an attainable plan that promotes quality housing development throughout the City. One goal of Government Code Section 65584 is to promote infill and socioeconomic equity in Housing Element updates. This is something that the City of Downey supports and seeks to attain. However, the City's goal is not only to promote housing but, to promote quality housing that incorporates the mixed housing types into the community overall. The City looks at long term incorporation of all current and future residents into the

community through continuing to offer the same services to all residents throughout the community. The potentially significant influx of new residents will likely result in increased costs to the City due to required improvements and maintenance of infrastructure as well as an increased demand of Police, Fire, and Recreation services in order to continue to provide the same level of service to all residents. This is a commitment that the City is willing to undertake for the quality of life for its residents but, a fair allocation dispersal will ease the impact of this future cost.

Sincerely,

CITY OF DOWNEY



Blanca Pacheco  
Mayor