



CITY OF LAGUNA HILLS

City Council

MAYOR

Erica Pezold
MAYOR PRO TEMPORE
Don Sedgwick

COUNCIL MEMBERS

Janine Heft
Bill Hunt
Dave Wheeler

March 3, 2021

The Honorable Rex Richardson, President
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

**RE: March 4, 2021 Regional Council Agenda Action Item 1 - Adoption of Resolution 21-630-2
(Final Need Allocation Plan for the 6th Cycle Regional Housing Needs Assessment)**

Dear President Richardson:

I am writing on behalf of my constituents to oppose the adoption of the 6th Cycle Regional Housing Needs Allocation (RHNA) plan. Throughout the process the City of Laguna Hills, along with dozens of cities located throughout Southern California, has provided well-documented concerns over the formulation of the 6th Cycle RHNA. It has indeed been a process relying on flawed state data and flawed outcomes.

Consistent with its efforts to erode local control, the state ignored the Regional Council's adoption of a RHNA plan based on local input and has instead burdened cities with unrealistic, unachievable housing goals. Over the next eight years, the SCAG region will need to produce nearly 170,000 units per year. Over the past decade, statewide housing production has averaged fewer than 80,000 homes (HCD 2019). Statewide housing production has only ever exceeded 170,000 units three times in the past 25 years (California Industry Research Board). The expectation that the SCAG region will exceed the same level of building activity for eight consecutive years is unrealistic.

There is also credible and unrefuted evidence from the Embarcadero Institute and Freddie Mac that the state has overstated actual housing demand in the state by millions of units. Further, HCD completely ignores Department of Finance (DOF) population projections for the state without being able to articulate where DOF's projections are incorrect. HCD's approach has resulted in inflated housing needs for the SCAG region. Even Governor Newsom realizes his own

Honorable Rex Richards

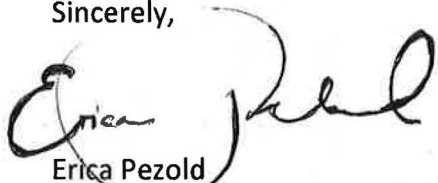
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goals for housing were simply aspirational when he declared he wanted to have 3.5 million more homes in the state by 2025. Statewide housing production has barely reached 10 percent of the Governor's goal since he took office.

We ask that the Regional Council forego adoption of the final RHNA allocation plan. It is my hope that for future RHNA cycles the Regional Council will exert more influence over the State for the good of all our communities and the residents we serve, and not allow the State to dictate terms to us. It is eight years until the next RHNA cycle begins in 2029; we must immediately begin this work to change the RHNA process to rely on local expertise and local decision-making, and not Sacramento. Thank you for your continued leadership serving as SCAG President.

Sincerely,



Erica Pezold
Mayor