

October 26, 2020

Mr. Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017  
Email: [housing@scag.ca.gov](mailto:housing@scag.ca.gov)

SUBJECT: Appeal of City of La Palma's Draft RHNA Designation

Dear Mr. Ajise:

On behalf of the City Council, I am writing to respectfully appeal the City of La Palma's 6<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA) allocation. The City of La Palma acknowledges the magnitude of housing problems in California and wholeheartedly supports SCAG's efforts to promote reasonable affordable housing growth; however, we were alarmed to see a nearly 10,000% increase in our RHNA allocation over the past Housing Element Cycle. While the goal is admirable, it is simply not feasible and would have severe, long-term impacts to our City. We understand and appreciate the limitations set forth in State law regarding allowable grounds for RHNA appeals. This appeal is based upon our belief that La Palma's draft RHNA allocation does not fairly consider information regarding the local planning factors outlined in Govt. Code § 65584.04(e) as submitted by the City to SCAG on September 11, 2019 (provided as Attachment 1) and summarized below.

**Availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities (Govt. Code § 65584.04(e)(2)(B))**

The City of La Palma comprises just 1.8 square miles, which is completely developed. Upon incorporation, Local Agency Formation Commissions (LAFCOs) require cities to provide a fiscal analysis that confirms the City's ability to financially function and provide basic services for its residents. The RHNA allocation will challenge the very framework of the City's fiscal viability and foundation of compatible and interdependent zoning and land uses. The State mandate to accommodate the RHNA by rezoning property for high density residential use creates a devastating impact on our small city and would:

- Challenge the fiscal foundation of the City generated from the current mix of residential, commercial, industrial, retail, office/professional land uses, and the basic land use components that provide the financial framework for the City's fiscal sustainability. Increased residential development, which would replace commercial and industrial uses, would result in the reduction of employment and sales tax producing land uses that would compromise the City's fiscal stability.

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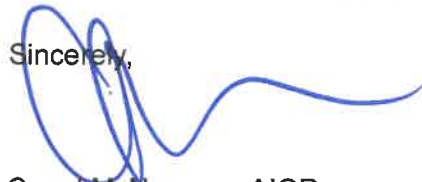
- Require the City to provide additional residential services without adequate revenue.
- Jeopardize existing parkland and open space which are limited for existing residents and generate strong concerns regarding increasing resident population without the ability to increase open space and park land. La Palma residents have limited access to adequate park/open space due to the City's small physical size. The largest open space area within the City is a walking path on leased land under the Edison Power Line Right of Way, which is maintained by the City. Additional residential development would exacerbate the already small amount of per capita recreational and open space.

Other factors that cause us to appeal the RHNA allocation include:

- Unlike other communities that have continued to construct market rate housing, La Palma has not had a new housing tract built in over 20 years because the city is built-out. Further, our relatively small and uniform lot sizes are not conducive to up-zoning because multiple homes would have to be acquired and razed to reach the critical mass needed for a high density affordable project to be financially feasible. Although residents are taking advantage of Accessory Dwelling Unit opportunities, it is uncertain how ADUs can be applied to our RHNA allocation.
- Several large non-property tax or sales tax generating institutional/educational land uses comprise 118.78 acres or 13.2% of total land within the City. We have 3 elementary schools, 1 middle school and 1 high school operated by 3 different school districts. Sixty (60) acres or 6.7% of land within the City is dedicated to Flood Control Channel/Utility zoning. The combination of these institutional/educational and utility uses further limits opportunities for the City to balance zoning for jobs/housing and create additional local employment and open space for existing residents.
- Nearly all of the land suitable for residential redevelopment in La Palma is within a Federally designated flood hazard zone. (Source: SCAG 2017 Data-Map Book)
- There are no major transit stops, no high-quality transit corridors, and no transit priority areas in La Palma. (Source: SCAG 2017 Data-Map Book)

The Center for Demographic Research at CSUF estimates the La Palma population in 2045 at 16,089, a marginal increase from the current population of 15,492. Based on City staff's analysis, La Palma has realistic capacity for approximately 400 additional residential units in the 8-year RHNA period, assuming that reasonable credit can be given for Accessory Dwelling Units through the Housing Element update process with the Department of Housing and Community Development (HCD). While we look forward to a productive working relationship with HCD during the update process, for the reasons described above, the City respectfully requests a reduction of the draft allocation from 800 units to 400 units.

Sincerely,



Conal McNamara, AICP  
City Manager

cc: Mayor and City Council  
City Attorney  
Planning Manager