

Lennox Chaiveera

From: Holly Osborne <[REDACTED]>
Sent: Friday, June 17, 2022 11:40 AM
To: Regional Housing
Cc: Huang, Peggy; Ma'Ayn Johnson
Subject: Questions/comments for RHNA study, submitted by Dr. Osborne

Dear SCAG:

Thank you for the opportunity to submit questions and comments for the RHNA study Here are mine. (I thought the comments were due by June 22; then I realized it was July 22, but you are getting them now. Consider this Part 1.) As you know, I participated in almost all the SCAG meetings where the 6th cycle RHNA algorithm was discussed and developed; and I attended, via zoom, all the appeal hearings.

I have divided my comments into 3 categories:

- 1) The accuracy of the total RHNA allocation
- 2) The process by which the 6th cycle algorithm was developed
- 3) Specific technical problems with the 6th cycle algorithm

1. Regarding the Total RHNA allocation, and the RHNA audit

1a. Before attempting to evaluate the merits of the current or possible future SCAG RHNA algorithms, it is necessary that the total RHNA allocation be accurate. The recent (March 2022) RHNA audit report was rather critical about the inaccuracies in the total RHNA allocation process, but it did not come up with new numbers for SCAG (currently 1.34 million). **As its number one priority, SCAG should insist that an accurate audit be performed on the 6th cycle RHNA for the SCAG region as a whole.**

1b. Once a more realistic SCAG allocation is obtained, then SCAG should re-run its algorithm-spreadsheet with the new allocation, and give the (advisory*) 6th cycle allocations to the 197 cities/regions in its area. (See recommendation 2 at bottom in red)

2. Regarding the RHNA process:

The 6th cycle SCAG RHNA algorithm was developed over a several month process. An algorithm was finally decided upon, but then at the last minute, a substitute algorithm was suggested. The substitute algorithm was not adopted initially by the relevant subcommittee. But then, when the final vote came before the whole board, a large number of individuals, that is, all the members from LA City council, suddenly showed up to vote. They had never been to any meetings, but voted *en masse* for the substitute algorithm. I believe most of them were totally ignorant on what they were voting on, but were just doing what they were told.

If SCAG is serious about improving RHNA and educating the public, it should not allow people to vote who had never been in on the process. Also, SCAG should have allowed the cities time to assess this last-minute algorithm.

3. Regarding Technical problems with the algorithm itself.

There are several practical, technical problems with the allocation methodology; or more precisely with the way it was implemented. Here are a few; most of these problems came up during the SCAG appeals hearings.

3a. **The HQTAs were allocated based on 2045 projections. (HQTAs stand for high quality transit areas, and depends on predicted bus routes and Metro stops.) The algorithm should have been based on HQTAs at the end of the 6th RHNA cycle (2028), or not much beyond the end.** The problem here is that for the case of Metro stops, the 2045 areas cannot be predicted; because in some cases the exact location has not even been proposed. The exact areas will be selected as a result of trade studies performed by Metro and community input. A city cannot plan, and certainly cannot build near a HQTAs transit stop if the site has not been selected. Yet, the way the legislature is acting, they are going to (or are proposing to) punish cities for not building their total RHNA allocation, including HQTAs allocations, by **2028, NOT 2045!** In regard to the bus routes, one of the most discussed and complex issues considered

during the SCAG RHNA appeal hearings was whether a bus stop would or would not be included on a high transit corridor that would or would not exist in 2045! (and did not exist now.)

If 6th cycle cities are going to be held accountable for RHNA by 2028, then the HQTAs RHNA portion should NOT have been based on 2045 projections.

SCAG needs to get a legislator who is more mathematically inclined to interface with the legislators who are proposing these housing element punishments, without understanding the issues. Or, SCAG needs to formally be involved in the process of these types of legislation. (Example: If SCAG does not approve, then the legislation should be modified.)

3b. Problems with the algorithms having large step discontinuities in the allocation process. This is getting down in the weeds, but one example of this is the way the algorithm adjusts RHNA for a "lower income" city. A city is considered "poor" if more than 50% of its population is below a certain income level. If a city is "poor" It does not have to provide its "share" of RHNA due to HQTAs or Jobs. The "other cities" have to pick up the allocation. And conversely if a city misses being "poor" by just a fraction of a percentage point (i.e. 49.9% below an income level, rather than 50.1% below), it feels that it was treated unfairly, because the difference in allocation **can be huge**,

Here is an example: Garden Grove had "only" 47.92% of its population below the "low income" line. Its RHNA was **19,123**, which included jobs and HQTAs. If it had had 50.1 % of its population below the "low income" line , its RHNA would have been **2421**. Naturally, Garden Grove was unhappy. But its neighbors would have been VERY unhappy, if Garden Grove's allocation had been reduced to 2421, because then THEY (the neighbors) would have been forced to pick up the extra 17,000 RHNA!

This brings us to another problem. In the last-minute change of the RHNA algorithm, the definition of "neighbors" changed from everyone in the SCAG area (197 regions), to only the cities in its county. This change was subtle, most counties did not notice it, but to Orange county, the effect was huge. So, in this case, with the way the final algorithm was adopted, only the Orange county cities would have had to pick up 17,000 additional RHNA.

In fact, that is what DID happen with the city of Santa Ana. It did have a large population that was low income. Without the "low income exclusion" it would have had a RHNA of over 26,000. With the RHNA "low income" exclusion, it got a RHNA of about 3,000. This is a difference of **23,000**, and the neighboring Orange County cities had to pick it up. Naturally, they were not happy.

Here is where the whole RHNA process was flawed. Initially, algorithms were proposed based on a more realistic RHNA of about 650,000. This still allowed for HQTAs and jobs. But when the RHNA came down from HCD of 1.34 million, the algorithm was/is not suited to handle it.

Here are my recommendations:

1) Get a realistic RHNA allocation for the 6th cycle, as defined in 1b. (If you cannot do that, how can you even pretend to get a good RHNA algorithm in the future?) Allocate this "new" realistic RHNA to the cities. (Use your current algorithm.)

2) The purpose of the "advisory RHNA" is to set a mark such that legislation does not inflict "punishment" on cities that do manage to meet the " advisory RHNA." (Better yet, formally change the RHNA)

3) Speak up and get SCAG some forceful representation on any housing element type legislation.

Sincerely,
Holly Osborne, PhD, P.E.
Redondo Beach resident

***I consider this "advisory RHNA" necessary. To date, (as of June 11), only 15 of the 197 regions in SCAG have a certified housing element; and only 6 met the Feb 11 deadline to avoid punishment. That only 6 out of 197 met the deadline should tell you that there is something wrong with the whole HCD certification process, because almost all cities have submitted reports. If more realistic RHNAs had been assigned, more would have been certified in a timely manner.**