

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**

*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*

*Appeals and supporting documentation should be submitted to [housing@scag.ca.gov](mailto:housing@scag.ca.gov).*

*Late submissions will not be accepted.*

Date:

10/22/20

Jurisdiction Subject to This Appeal Filing:

*(to file another appeal, please use another form)*

City of Pico Rivera

Filing Party (Jurisdiction or HCD)

Jurisdiction - City of Pico Rivera

Filing Party Contact Name

Luis Rodriguez

Filing Party Email:

lrodriguez@pico-rivera.org

**APPEAL AUTHORIZED BY:**

Name: Michael L. Garcia

**PLEASE SELECT BELOW:**

- ☐ Mayor
- ☐ Chief Administrative Office
- ☐ City Manager
- ☐ Chair of County Board of Supervisors
- ☒ Planning Director
- ☐ Other: \_\_\_\_\_

**BASES FOR APPEAL**

- ☒ Application of the adopted Final RHNA Methodology for the 6<sup>th</sup> Cycle RHNA (2021-2029)
- ☒ Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))
  - ☐ Existing or projected jobs-housing balance
  - ☒ Sewer or water infrastructure constraints for additional development
  - ☒ Availability of land suitable for urban development or for conversion to residential use
  - ☐ Lands protected from urban development under existing federal or state programs
  - ☐ County policies to preserve prime agricultural land
  - ☒ Distribution of household growth assumed for purposes of comparable Regional Transportation Plans
  - ☐ County-city agreements to direct growth toward incorporated areas of County
  - ☐ Loss of units contained in assisted housing developments
  - ☐ High housing cost burdens
  - ☐ The rate of overcrowding
  - ☐ Housing needs of farmworkers
  - ☐ Housing needs generated by the presence of a university campus within a jurisdiction
  - ☐ Loss of units during a state of emergency
  - ☐ The region's greenhouse gas emissions targets
  - ☐ Affirmatively furthering fair housing
- ☒ Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

**FOR STAFF USE ONLY:**

Date: \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_

**Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form**

*All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.*

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**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):**

**Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.**

Section 65584(d)(1) - The Draft RHNA allocation undermines this objective as it does not assign housing unit growth need in an equitable manner. The allocation is a marked increase in allocations from prior RHNA planning cycles and a disproportionately higher amount of lower income need to the community, based upon a flawed methodology that is inconsistent with regional growth forecasts at the regional, state and federal level.

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

See attached Appeal Letter for a full description of the appeal request.

The appeal is based on the following grounds: 1) Local Planning Factors- a variety of local factors directly impact future housing production; 2) Methodology to develop RHNA Allocations for Pico Rivera; and 3) Changed Circumstances impacting the City subsequent to the development of the RHNA Methodology.

The City of Pico Rivera is requesting a RHNA reduction from 3,939 units to 688

**Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):**

Reduced 3,251      Added \_\_\_\_\_

**List of Supporting Documentation, by Title and Number of Pages**

**(Numbers may be continued to accommodate additional supporting documentation):**

1. City of Pico Rivera Appeal of the Sixth Cycle Draft RHNA Allocation - 18 Pages

2.

3.

**FOR STAFF USE ONLY:**

Date \_\_\_\_\_

Hearing Date: \_\_\_\_\_

Planner: \_\_\_\_\_





**Michael L. Garcia**  
Director

# City of Pico Rivera

## COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

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### City Council

Gustavo V. Camacho

*Mayor*

Raul Elias

*Mayor Pro Tem*

Gregory Salcido

*Councilmember*

Dr. Monica Sánchez

*Councilmember*

Brent A. Tercero

*Councilmember*

October 22, 2020

Southern California Association of Governments

Attn: Peggy Huang, Executive Director

900 Wilshire Blvd., Suite 1700

Los Angeles, CA 90017

**Subject: City of Pico Rivera Appeal of Draft Housing Unit Allocation for the Sixth Cycle Housing Element (2021-2029)**

Dr. Ms. Huang:

On behalf of our residents, in accordance with applicable Government Code provisions, the City of Pico Rivera (City) hereby submits its appeal to the Southern California Association of Governments (SCAG) of SCAG's Final Draft Housing Unit Allocation (Final Draft Allocation), released September 3, 2020, which is based on the Final Regional Housing Needs Assessment (RHNA) Methodology for the Sixth Housing Element Cycle (2021-2029) for the SCAG region (referred to herein as the Sixth Cycle) also adopted by the SCAG Board of Directors on that date.

A revision to the Final Draft Allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). This appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy (SCAG's Connect SoCal Plan) developed pursuant to Government Code Section 65080(b)(2) as explained herein.

### INTRODUCTION

The methodology used to determine the 6<sup>th</sup> Cycle RHNA allocation results in an increase in the number of housing units allocated to the City of Pico Rivera from 850 units for the 5<sup>th</sup> cycle Housing Element to a proposed 3,939 units. The proposed dwelling unit allocation increase is based on flawed methodologies that are in conflict with the determinations found within the Connect SoCal Plan and do not fully consider local planning factors unique to the City.

Pursuant to Government Code section 65584.05, Pico Rivera is exercising its right to file an appeal to modify its allocated share or another jurisdiction's share of the regional housing need included as part of SCAG's Draft Regional Housing Needs Assessment (RHNA) Allocation Plan.

## City of Pico Rivera

### SCAG RHNA Appeal 2021-2029

#### Basis for the City of Pico Rivera Appeal

A revision to the Final Draft Allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). In addition, this appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy (SCAG's Connect SoCal Plan) developed pursuant to Government Code Section 65080(b)(2) as explained herein.

This appeal is based on the following grounds:

1. *METHODOLOGY - SCAG failed to determine Pico Rivera's share of the regional housing need in accordance with the information described in the Final RHNA Methodology established and approved by SCAG, and in a manner that furthers, and does not undermine the five (5) objectives listed in Government Code Section 65584(d). These objectives are:*
  - i. *Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.*
  - ii. *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.*
  - iii. *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*
  - iv. *Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.*
  - v. *Affirmatively furthering fair housing.*
2. *LOCAL PLANNING FACTORS AND INFORMATION AFFIRMATIVELY FURTHERING FAIR HOUSING - SCAG failed to consider information submitted by Pico Rivera relating to certain local factors outlined in Govt. Code § 65584.04(e) and information submitted by the local jurisdiction relating to affirmatively furthering fair housing pursuant to Government Code § 65584.04(b)(2) and 65584(d)(5) [NO INFORMATION FOUND THAT WAS SUBMITTED]*
3. *CHANGED CIRCUMSTANCES - That a significant and unforeseen change in circumstance has occurred in Pico Rivera after April 30, 2019 and merits a revision of the information previously submitted by Pico Rivera. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.*

The City hereby submits its appeal of the Draft Allocation, pursuant to Govt. Code Section 65584. 05. (Govt. Code Section 65584. 05(b).) As described in the introduction, the City is basing its appeal on the following criteria.



<b>1</b>	<b>Methodology</b>	SCAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Section 65584(d).
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**(A) SCAG’s proposed methodology is inconsistent with the household growth projections determined in the Connect SoCal Plan.**

SCAG failed to adequately consider local household growth factors and utilized growth projections inconsistent with the Connect SoCal Plan.

SCAG’s Connect SoCal Plan, a 25-year plan, was formally adopted September 3, 2020. Appendix 1- Demographics and Growth Forecast of the Connect SoCal Plan<sup>1</sup>, list Pico Rivera’s household growth is forecasted to reach 18,500 in 2045. Comparatively, the 5-year estimates in the Census’ American Community Survey from 2018 for the City of Pico Rivera currently estimates 17,244 households.

**Table 1** shows a comparison between the annual household development projections in the Connect SoCal Plan and the City’s RHNA allocation. When the projected Connect SoCal forecast growth is projected over the forecast period, it results in an annual household growth of 66.5 households. The RHNA forecast growth amortized over the 8 year planning period results in growth of 492 housing unit per year. This results in an additional 426 housing units per year over the projected household growth in the Connect SoCal Plan. If RHNA development was achieved, the City would hit its projection growth needs identified in the Connect SoCal Plan in 4 years, approximately 26 years early.

**TABLE 1: Comparison of Household Growth Rates (Connect SoCal vs. RHNA)**

Connect SoCal Forecasted Households Units (2016- 2045)	Connect SoCal Forecast Year	Average per year household units creation (2016-2045)	RHNA Estimate Total Growth Need	RHNA Forecast Year	Average per year household units creation (2021-2029)
1,900	2045	65.5	3,939	2029	492

The City contends that the household formation assumed in the RHNA far exceeds any reasonable projection for growth during the 2021-2029 Housing Element planning period. SCAG’s own 2045 growth forecast, stated in the Connect SoCal Plan is inconsistent and directly undermines the validity of the assumptions in the Draft RHNA Allocations

<sup>1</sup> Connect SoCal (2020 - 2045 Regional Transportation Plan/Sustainable Communities Strategy) Appendix 1, Table 14.

## City of Pico Rivera

### SCAG RHNA Appeal 2021-2029

More recently, a Federal Home Loan Mortgage Corporation ("Freddie Mac") report (February 2020) indicates that all of California "has a shortage of 820,000 housing units," which is considerably lower than the 1.34 million provided by State HCD for the SCAG region alone. Since the SCAG region is 47.8% of the State's population per DOF's May 2020 E-5 estimates, the SCAG regional allocation would be closer to 392,075 units. If the regional need assumed by SCAG of 1,341,827 units is revised to 392,075, the City would have a draft RHNA of 1,150 units rather than the 3,939 units for this upcoming 6th Housing Element Cycle.

The discrepancy demonstrates the RHNA allocation undermines Government Code Section 65584(d)(1) by failing to provide the distribution of units in an equitable manner. This is demonstrated by a household growth rate that is 7.5 times above Connect SoCal forecasts. The City contends that a realistic estimate of future growth need should be directly tied to realistic projections of household formation, consistent with SCAG's own projections in the Connect SoCal Plan.

2	<b>Changed Circumstance</b>	A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to Section 65584. 04(b).
<i>Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.</i>		

**(A) The City of Pico Rivera does not have adequate water supply capacity to accommodate development of their 2021-2029 RHNA. The City receives water supply from the Central Basin groundwater Basin, which is controlled by the Department of Water Resources (DWR).**

#### Infrastructure Capacity

The City of Pico Rivera receives water service from two independent water purveyors. These are the Pico Rivera Water Authority (PRWA) and Pico Water District (PWD). In 2015, the City of Pico Rivera completed their Urban Water Management Plan (UWMP)<sup>2</sup>, which provides information on the water supply available within the City over the next 25 years and the anticipated demand based on census growth trends. The following information is from the City's current UWMP regarding the supply capacity of the City's larger water purveyor, PRWA.

The Urban Water Management Planning Act states that every urban water supplier shall include, as part of its plan, an assessment of the reliability of its water supplies. The water supply and demand assessment must compare the total projected water use with the expected water supply over the next 25 years in 5-year increments. This reliability assessment is required for normal, single dry-year and multiple dry water years. The City of Pico Rivera completed this assessment as part of their 2015 UWMP and the results are shown in the following section.

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<sup>2</sup> <http://www.pico-rivera.org/civicax/filebank/blobdload.aspx?blobid=52378>



## City of Pico Rivera

### SCAG RHNA Appeal 2021-2029

The UWMP used the following growth assumptions based on 2010 US Census population counts for its future demand projections. The UWMP also assumed an average of 3.8 residents per dwelling unit and stated that PRWA's service area is built-out and increased future densification will come from anticipated densification within existing residential areas. As shown in the table below, the City is anticipated to add 3,272 residents between 2020 and 2030, which equates to 327 residents per year and at the assumed rate of 3.8 residents per household, **86 dwelling units per year**.

**TABLE 2: UWMP – Population Assumptions**

	2015	2020	2025	2030	2035
PRWA Service Area	40,934	41,936	42,963	42,963	44,014
City of Pico Rivera	64,482	66,061	67,677	69,334	70,570
Compound Annual Growth Rate	0.40%	0.40%	0.40%	0.40%	0.40%

Notes: Derived by Atkins for 2015 UWMP Update based on 2010 US Census population counts within the City of Pico Rivera that reflects changes in population (a Citywide decline in between 2000 and 2010) due to a downturn in economic conditions

Based on actual water deliveries measures for the year 2015, PRWA had 8,959 residential accounts which used a total volume of 3,611 acre-feet (AF) of water as shown below. That is .403 AF per account, with the majority of accounts attributed to one dwelling unit.

**TABLE 3: UWMP – Water Deliveries (Actual, 2015)**

Water Use Sectors	2015 Metered	
	# of accounts	Volume (AF)
Single-family residential	8,959	3,611
Multi-family residential		
Commercial / Institutional/Governmental	432	945
Total	9,391	4,561

Source: DWR Water Report for PRWA

The table below shows projected demand and supply during normal years. The projected supply in this table is less than the projected demand, however the UWMP states that these assumptions do not hold true if increasing densification within PRWA's service areas increased demand above 5,779 acre feet per year (AFY).

**TABLE 4: UWMP – Supply and Demand Comparison – Normal Year (AF)**

**Table 36 Supply and Demand Comparison — Normal Year (AF)**

Water supply sources	2020	2025	2030	2035
Groundwater	5,579	5,579	5,579	5,579
Recycled Water	200	200	200	200
Supply totals	5,779	5,779	5,779	5,779
Demand totals	5,365	5,364	5,388	5,412
Difference	414	415	391	367

Note: Application of GPCD used to determine projected demand over 25-year planning horizon.

**Conclusion**

Based on the information provided and the assumptions made in the City's UWMP regarding project water deliveries (Table 5), the City's RHNA allocation represents a dwelling unit growth that will exceed the City's available water supply totals by 2023. Table 6 shows the City's assumptions within the UWMP compared to the dramatically increased density that would result from development of the units in the City's proposed RHNA allocation.

PRWD receives all of its water supply from the Central Basin groundwater basin, for which the Department of Water Resources (DWR) is the Watermaster. Pico Rivera has a finite amount of water it can draw from the Central Basin and is not permitted to draw the additional water supply that would be needed to accommodate the City's RHNA. The discrepancy demonstrates the RHNA allocation undermines Government Code Section 65584(d)(2)(A) by failing to provide the distribution of units in an equitable manner. The City contends that a realistic estimate of future growth need should be directly tied to the realistic water capacity available within to the City of Pico Rivera as described in the City's Urban Water Management Plan.

**TABLE 5: UWMP – Water Deliveries (Projected 2020, 2025, 2030, and 2035 (AF))**

Water Use Sectors	2020	2025	2030	2035
Single-family residential	3,463	3,461	3,545	3,632
Multi-family residential	269	269	275	282
Commercial / Institutional/Governmental	974	973	997	1,021
Landscape (Recycled Water)	200	200	200	200
Other	6	6	6	6
Total	4,912	4,909	5,023	5,141

Note: A one-percent increase per five years was applied to both the number of accounts and the total deliveries.

**TABLE 6: Comparison of Water Demand (UWMP vs. RHNA)**

Growth Assumption	Anticipated Dwelling Unit Growth per year (DU)	Projected 2020-2030 Increase in Water Deliveries for Residential (AF)	2030 Total Anticipated Demand Including All Uses (AF)	2030 Capacity
City of Pico Rivera UWMP (2015)	86	88	5,023	5,779
City's 2021-2029 RHNA Allocation	492	1,982	6,917	5,779

**(B) Flood Inundation Area**

The entire City of Pico Rivera lies within the flood inundation area (See **Figure 1**) of the Whittier Narrows Dam (Dam). Flood risk for this structure under normal operations or as a consequence of an event such as an earthquake is classified as high by both the U.S. Army Corps of Engineers (Army Corp) Dam Safety Action Classification (DSAC) System, and the FEMA HAZUS program. The Dam has a risk characterization of "DSAC 1" by the Army Corps due to the risk of life loss of life with very high likelihood of failure of the



**City of Pico Rivera****SCAG RHNA Appeal 2021-2029**

Dam by a rare flood event. The Dam is the only DSAC 1 dam in the nation. The Army Corps prepared a Dam Safety Modification Study in May 2019 that proposed alternatives or risk management plans (RMPs) to reduce the potential for and consequences of catastrophic flooding resulting from failure of the Dam during rare to extremely rare flood events. The goal is to be ready to start construction on these safety modifications in 2021.

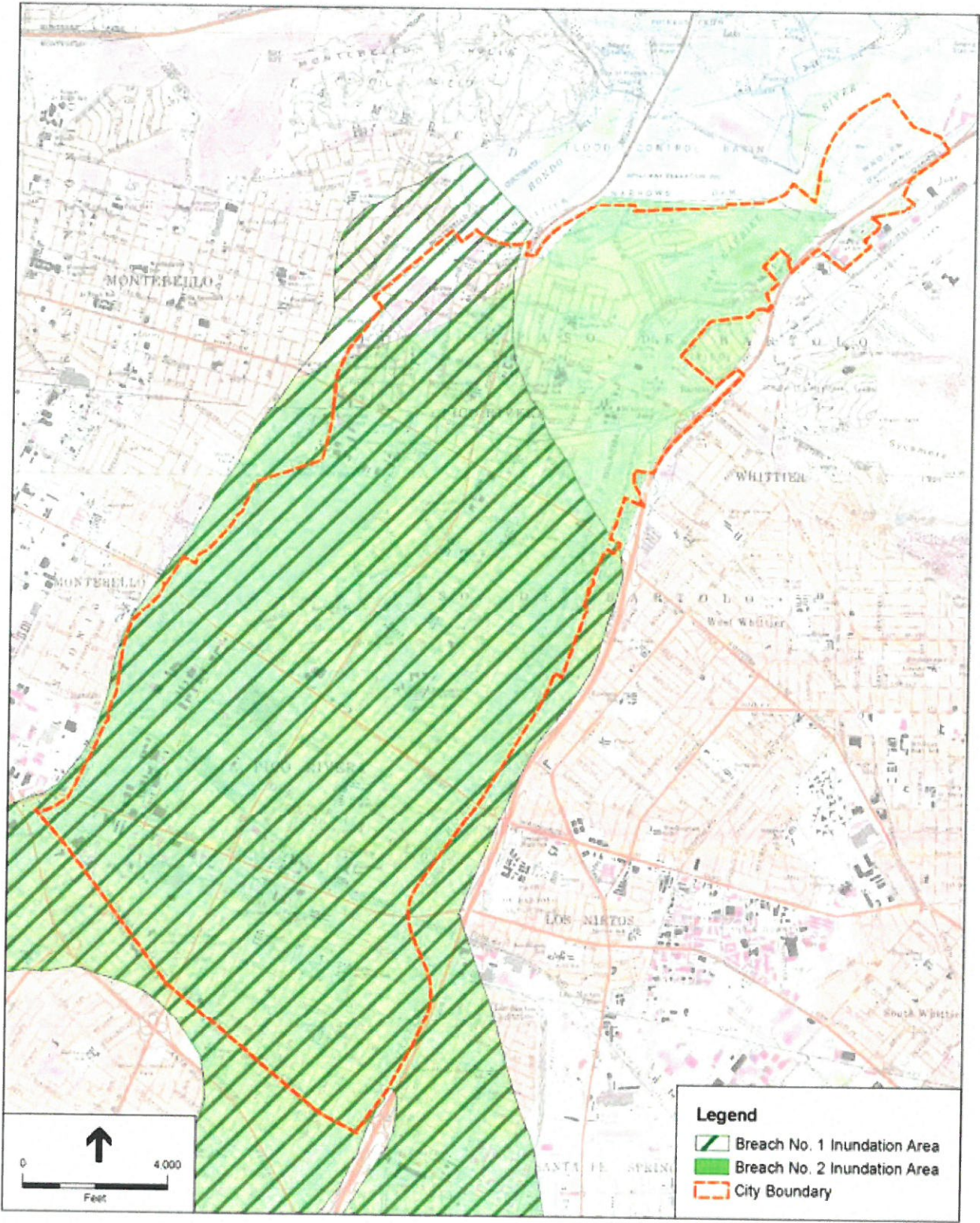
Potential Failure Modes (PFMs) are used to describe the manner in which the Dam could fail. The Army Corp report identified two PFMs that dominate the risk at the Dam and set the basis for plan formulation. They consist of backward erosion piping (BEP) in the foundation and overtopping. A third PFM, premature opening of the automatic spillway gates, is currently being addressed through operations and maintenance actions, and, accordingly, the RMPs developed for the Dam. If either of these two PFMs, or any other failures within the Whittier Narrows Dam structure, were to occur, there is the potential for significant flood damage encompassing the majority of the City of Pico Rivera.

**Conclusion**

Due to the high risk of flooding in the event of a Dam failure, Pico Rivera is extremely limited in areas where it can plan for future housing in a manner that is safe for future residents. The discrepancy demonstrates the RHNA allocation undermines Government Code Section 65584(d)(2)(B) by failing to provide the distribution of units in an equitable manner.

The City of Pico Rivera contends that a realistic estimate of future growth need should be directly tied to the amount of available land within the City of Pico Rivera, suitable for urban development that is not subject to the risk of flooding, if flood management infrastructure fails.

FIGURE 1 – Pico Rivera Dam Inundation





<b>3</b>	<b>Changed Circumstances</b>	A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to Section 65584. 04(b).
<i>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</i>		

The City of Pico Rivera is almost entirely built out, with little to no available vacant land to accommodate the number of housing units anticipated by the City's draft RHNA allocation. The areas described within this section demonstrate that the realistic availability of land suitable for urban development or for conversion to residential uses is dramatically less than was considered when assigning the City's RHNA allocation. As a built out City, Pico Rivera has little to no vacant land which means that the City will need to rely on infill development, primarily in existing commercial and residential areas. The information below shows that many of these areas may not meet the AB 1397 requirements as outlined below and therefore, cannot be counted in the City's available land inventory for purposes of determining the City's RHNA allocation for the 6<sup>th</sup> Cycle. These areas, and the total acreage allocated to each, are shown in **Table 7** below.

**Table 7: Existing City Acreages**

<b>Total City Acreage</b>	<b>Existing Open Space &amp; Public Facilities</b>	<b>Existing Industrial</b>	<b>Existing Commercial</b>	<b>Existing SFR and PUD</b>	<b>Remaining Potentially Developable Area</b>
4738	1603	764	222	2142	7
100%	34%	16%	5%	45%	<1%

Recently enacted AB 1397 modified Government Code section 65580, 65583 and 65583.2. Generally, jurisdictions must demonstrate the following:

- Land Inventory Sites Must Be "Available" and May Only Include Non-Vacant Sites with Realistic Development Potential (Govt Code Section 65583).
- Sites in the Land Inventory Must Have Demonstrated Potential for Development (Govt Code Section 65583(a)(3))

This provision in state law requires the City to explicitly demonstrate the availability of vacant lands to accommodate future housing growth need.

**(a) Existing Public Facilities, Open Space, and Critical Infrastructure Areas**

There is approximately 1,603 acres of Public Facilities and Open Space within Pico Rivera. The majority of this land is critical water conservation and flood management infrastructure that serves not only the City, but neighboring cities within the region. Included in this are the Rio Hondo and San Gabriel Spreading Grounds, which serve as water storage/groundwater recharge facilities that conserve approximately 150,000 acre-feet of local, imported, and reclaimed water annually.

Open space within Pico Rivera is primarily situated around the San Gabriel River, including the Pico Rivera Bicentennial Park and Sports Arena. These spaces are not able to be utilized for residential buildings per the Army Corps, and serve as vital flood overflow areas that help to prevent further damage to the surrounding areas.

As this is critical infrastructure for the region, it cannot be anticipated to redevelop within the planning period. **Figure 2** shows the location and size of the Public Facilities and Open Space areas within Pico Rivera.

**(b) Existing Industrial Areas**

There is approximately 764 acres of heavy and light industrial uses within Pico Rivera, including a number of parcels within an entitled specific plan area. Many of these buildings were built within the last 20 years and contain lease structures that span 99 years. The Government Code requires that 2021-2029 Housing Elements analyze, to the extent possible, the lease structures of potential candidate housing sites. Lease structures found to exceed the planning period are not considered as sites that can realistically be expected to redevelop for residential uses within the planning period. **Figure 3** shows the location and size of the existing industrial areas within Pico Rivera.

**(c) Existing Commercial Areas**

There is approximately 222 acres of commercial/retail land within Pico Rivera. Much of the existing commercial and retail lands in the city are built out and highly utilized. As the primary generator of employment in the City, these lands possess some of the most successful and viable investments within the City. Redevelopment of these parcels of these sites to accommodate the RHNA allocations is highly unlikely as these are some of the primary job-creating uses within the City. **Figure 4** shows the location and size of the existing commercial areas within Pico Rivera.

**(d) Existing Non-Vacant Residential and Planned Unit Development (PUD) Areas**

There is approximately 1,913 acres of single-family residential land within Pico Rivera. As shown in **Figure 5**, the majority of existing residential land consists of currently developed properties. There is little to no vacant land currently available to provide additional opportunities for residential development. Therefore, future residential development must be accommodated on infill, reuse and redevelopment of these existing residential properties.



Figure 2 – Pico Rivera Public Facilities and Open Space Areas

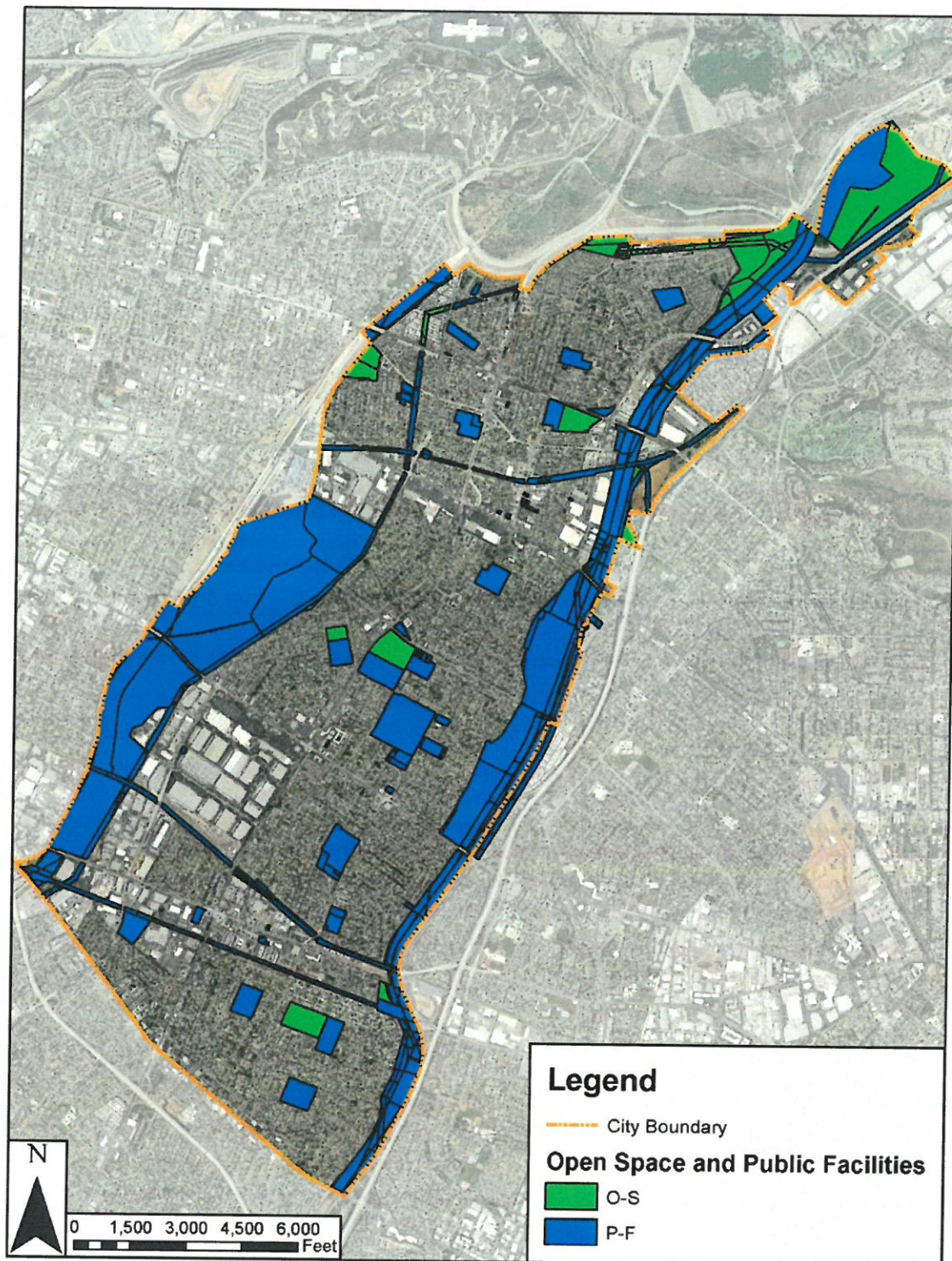




Figure 3 – Pico Rivera Industrial and Specific Plan Areas

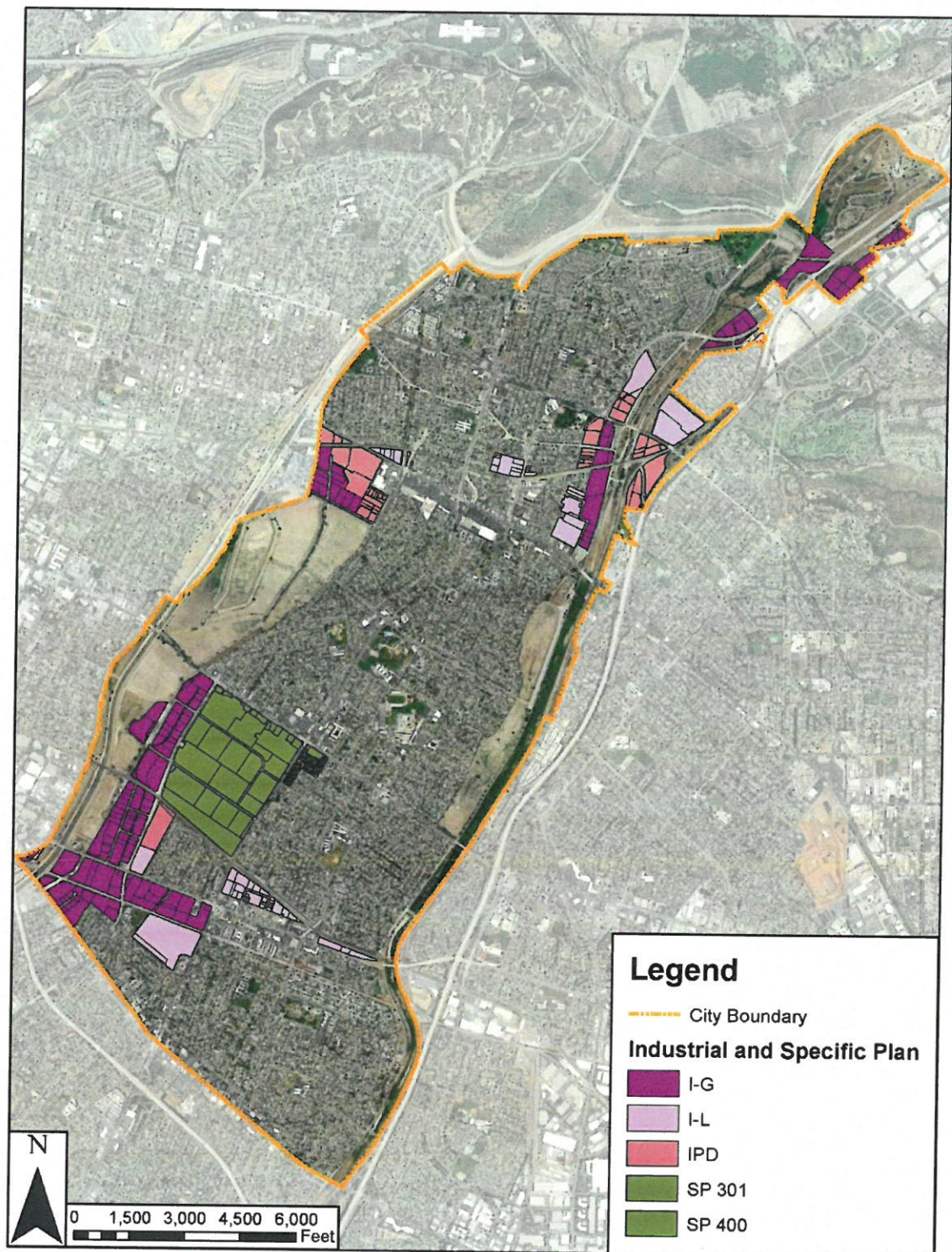




Figure 4 – Pico Rivera Commercial Areas

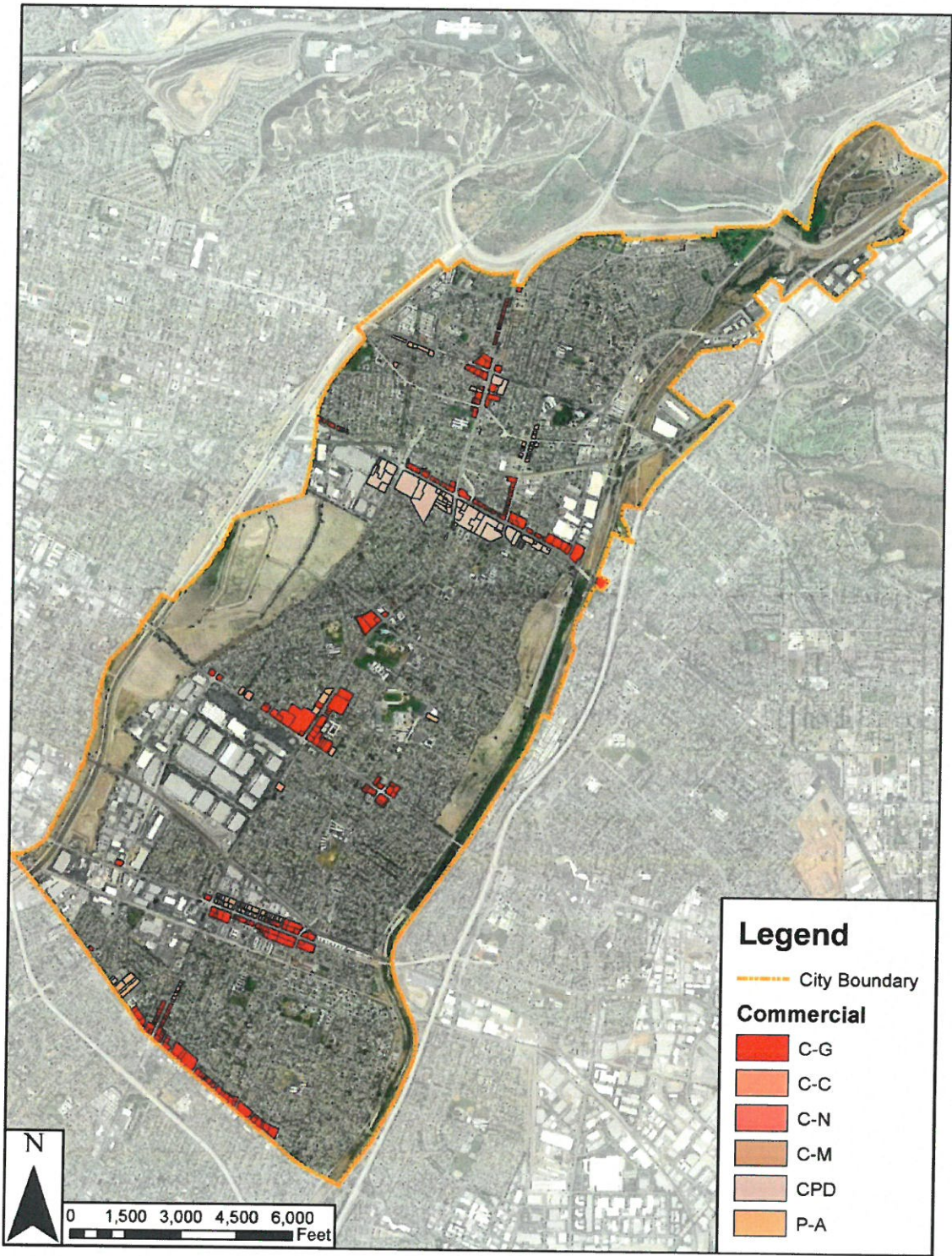
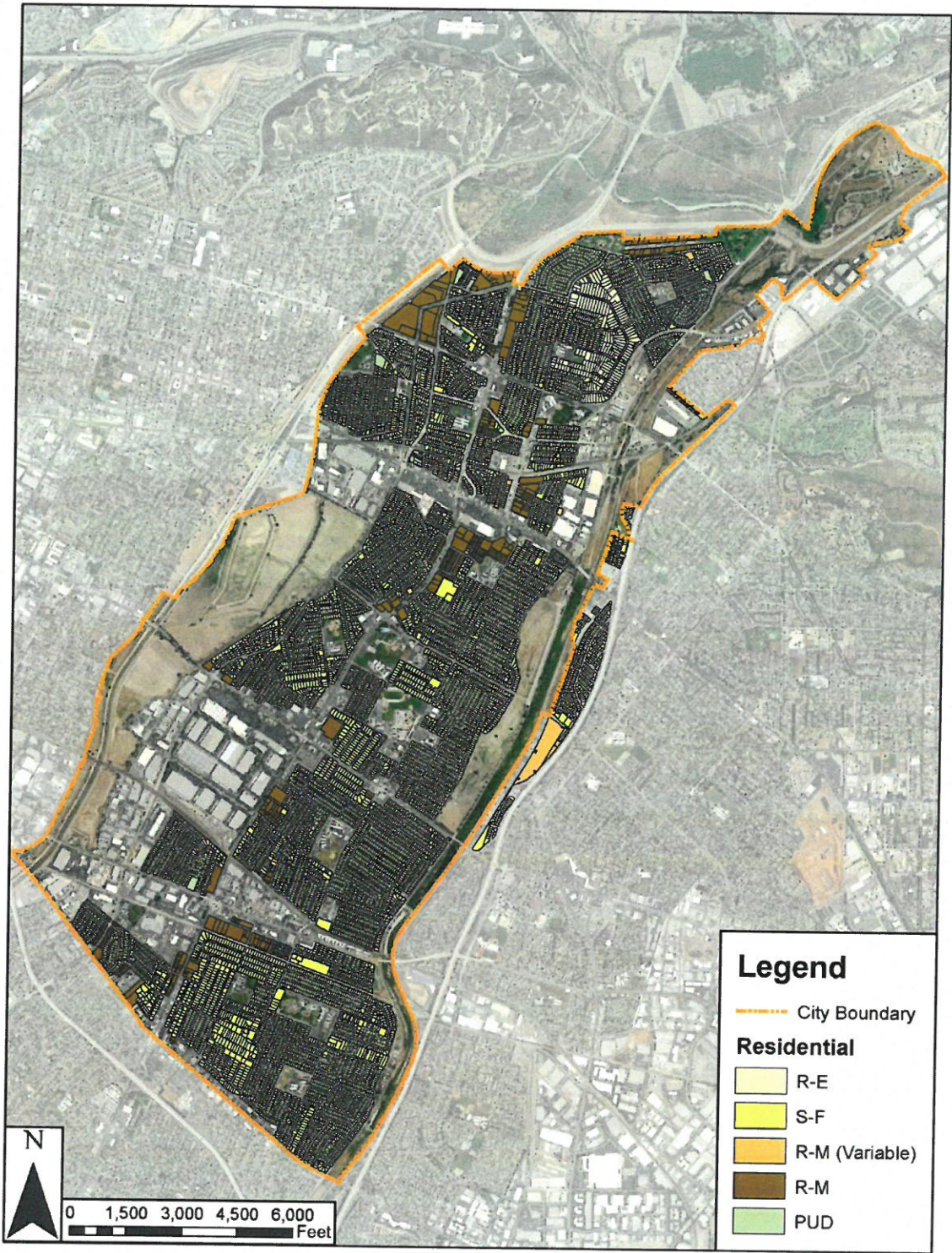




Figure 5 – Pico Rivera Nonvacant Residential and PUD Areas





**(e) Available Vacant Land**

**Table 7** demonstrates the available vacant land within the City across all zoning classifications. As shown, the City has approximately 32.7 acres of vacant land, only 2.24 of which is zoned within residential areas that are not within Planned Residential Unit Development (PUD) areas. The majority of this land is within Industrial Planned Development (IPD) areas that is not suitable for the development of residential uses. The majority of these parcels do not meet the size requirements for adequate sites within AB 1397.

**Table 7: City of Pico Rivera Vacant Lands Inventory**

Zoning Classification	Size (Ac)
Single-Family Residential (SF)	1.61
Multiple-Family Residential (RM)	0.63
General Commercial (CG)	4.27
Community Commercial(CC)	0.54
Commercial Manufacturing (CM)	0.60
Light Industrial (IL)	1.68
Open Space (OS)	0.04
Public Facilities (PF)	4.09
Professional and Administrative (PA)	0.65
Commercial Planned Development (CPD)	0.62
Planned Residential Unit Development (PUD)	3.25
Industrial Planned Development (IPD)	14.72
<b>Total</b>	<b>32.70</b>

**(f) Comparison of Densities Versus RHNA Growth Allocation**

As described in **Table 8**, the City must transition up to 131 acres of existing developed high value land to accommodate future growth need. Therefore, the City must demonstrate that the opportunity exists to develop the required 3,939 units on infill properties over the 8-year planning period. It is unreasonable to assume the City will be able to justify this extent of sites, pursuant to the analysis required under AB 1397 and given the amount of available vacant land as demonstrated in section 3(e).

**Table 8: Comparison of Densities Versus RHNA Growth Allocation**

Density Range	RHNA Allocation	Acreage Needed to Accommodate Growth
30 Dwelling Units/Acre	3,939 units	131.3 acres
60 Dwelling Units/Acre	3,939 units	65.7 acres
100 Dwelling Units/Acre	3,939 units	39.4 acres

<b>4</b>	<b>Changed Circumstances</b>	A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to Section 65584. 04(b).
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**(A) The novel coronavirus (COVID-19) presents an unforeseen changed circumstance that has severely impacted the City's financial status and impacted the development capacity of the private market to create housing within Pico Rivera.**

On March 4, 2020, the Los Angeles County Board of Supervisors and the Department of Public Health, which acts as the City of Pico Rivera's de facto Healthy agency, declared a local and public health emergency in response to the spread of the novel Coronavirus (COVID-19) within Los Angeles County. On the same day, California Governor Gavin Newsom declared a state of emergency in the State of California due to COVID-19's public health threat.

The relative impacts of COVID-19 on the existing and future housing needs within Pico Rivera are not known at this time, but it may influence short-term and long-term housing policy and program considerations within the community. The City acknowledges the substantial impact that this pandemic has had and will continue to have on the local economy, the ability to develop housing within Pico Rivera, and the City's financial ability to assist in lower income housing production.

Per July 2020 research completed by the Pew Research Center<sup>3</sup> found that around one-in-ten adults ages 18 to 29 (9%) say they moved (either permanently or temporarily) due to the coronavirus outbreak. This was due in part to job losses and the shutdown of college housing.

Additionally, data from Zillow<sup>4</sup> made the following findings related to local housing trends:

- More than 32 million adults lived with a parent or grandparent as of April, up 9.7% from the same period a year ago and the highest level on record.
- More than 80% of those who recently moved back in with their parents are Gen Zers who pay an estimated \$726 million in rent each month. Those payments, about 1.4% of the total rental market, could be at risk if moves home become permanent.
- The same study identified that the Los Angeles rental market may stand to lose up to 0.9% of the total rental market in lost rent.

Lastly, a joint UCLA-USC Report<sup>5</sup> found that:

- About 16% of tenants report paying rent late each month from April through July.
- About 10% did not pay rent in full for at least one month between May and July.
- About 2% of renters are three full months behind on rent. This translates to almost 40,000 households in a deep financial hole.
- Late payment and nonpayment are strongly associated with very low incomes (households earning less than \$25,000 annually) and being Black or Hispanic.
- This crisis is particularly acute in the Los Angeles region and other high-cost cities, where an existing affordable housing crisis and an economic slowdown resulting from mitigation efforts to curb the pandemic intersect to threaten the stability of many households.

While the long-term impacts of COVID-19 on local and regional housing trends is unknown, it is clear that a larger than normal segment of the population is leaving their housing situation to join with another household or is unable to make rent payments due to financial hardships. As the region continues to

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<sup>3</sup> <https://www.pewresearch.org/fact-tank/2020/07/06/about-a-fifth-of-u-s-adults-moved-due-to-covid-19-or-know-someone-who-did/>

<sup>4</sup> <https://www.zillow.com/research/coronavirus-adults-moving-home-27271/>

<sup>5</sup> <https://news.usc.edu/175065/los-angeles-tenants-covid-19-pandemic-rent-usc-study/>



battle with controlling the spread of COVID-19, the continued economic hardships presented by the virus on homeowners, renters, cities, and developers will likely lead to a decreased demand for housing and a higher percentage of co-habiting households.

### Conclusion

Due in part to the COVID-19 pandemic, the state of California is experiencing population growth rates at historically low levels. Recent downward revisions by the Department of Finance illustrates the rate of population growth rate throughout California is slowly and a faster rate anticipated. In the last three years, the state has experienced the lowest population growth rates on record since 1900. Population growth is directly tied to household formation. The flattening of the population growth curve is contrary to the rate of growth identified in the Final Draft RHNA allocation. Furthermore, according to Freddie Mac's February 2020 report, "The Housing Supply Shortage: State of the States," their research indicates that "...California has a shortage of 820,000 housing units. But history suggests that California's shortage may be overestimated if interstate migration is considered."<sup>6</sup>

COVID-19 presents an unforeseen circumstance which will likely result in Pico Rivera and the State of California as a whole drastically and incorrectly reshaping the housing landscape in an effort to meet RHNA needs as opposed to organically in response to market trends. The impacts to the economy of the City and consequently to the housing market are profound and should be a consideration when evaluating realistic development potential over the 8-year RHNA planning period.

### CONCLUSION

If the City developed at a pace consistent with the Connect SoCal Plan, the City would be on target to produce **524 units** for the 6<sup>th</sup> RHNA Cycle 2021-2029, at a rate of **65.5 units** per year. However, the City believes that a feasible growth rate of **86 units** per year can be achieved, and is consistent with the water supply assessment documented in its Urban Water Management Plan (UWMP) 2015-2040. This would achieve a growth of **688 units** for the same 8-year period. Without enough water, the City cannot physically achieve to produce the RHNA allocated amount of 3,939 units for the 6<sup>th</sup> Cycle. Therefore, the City has determined that a total equitable RHNA allocation is based on the following reductions in the current draft allocations:

Government Code Requirements	Requested RHNA Reduction
<p><b>Section 65584(d)(1)</b> - <i>Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.</i></p> <p><b>Reason</b> - The Draft RHNA allocation undermines this objective as it does not assign housing unit growth need in an equitable manner. The allocation is a marked increase in allocations from prior RHNA planning cycles and a disproportionately higher amount of lower income need to the community, based upon a flawed methodology that is inconsistent with regional growth forecasts at the regional, state and federal level.</p>	-3,251
<b>Total</b>	<b>-3,251</b>

<sup>6</sup> Freddie Mac, "The Housing Supply Shortage: State of the States" February 2020, Page 6.

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The table below summarizes the City of Pico Rivera's recommended RHNA allocation by income category: The recommended 6th Cycle RHNA allocations acknowledges the need to accommodate future growth in the City, pursuant to consistently applied regional growth forecasts.

Income Category	Draft SCAG RHNA Allocation	Pico Rivera Recommended RHNA Allocation
Very Low	1,148 Units (29%)	200 Units (29%)
Low	562 Units (14%)	96 Units (14%)
Moderate	572 Units (15%)	103 Units (15%)
Above Moderate	1,657 Units (42%)	289 Units (42%)
<b>TOTAL</b>	<b>3,939 Units</b>	<b>688 Units</b>



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