

Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form
All appeal requests and supporting documentation must be received by SCAG June 15, 2020, 5 p.m.
Appeals and supporting documentation should be submitted to housing@scaq.ca.gov.
Late submissions will not be accepted.

Date: October 26, 2020 Jurisdiction Subject to This Appeal Filing: San Fernando
(to file another appeal, please use another form)

Filing Party (Jurisdiction or HCD) City of San Fernando

Filing Party Contact Name Timothy Hou Filing Party Email: thou@sfcity.org

APPEAL AUTHORIZED BY:

Name: Nick Kimball

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 6th 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: _____

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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):

The City of San Fernando, pursuant to Government Code 65584.05(b) wishes to appeal the draft Regional Housing Needs Assessment (RHNA) Allocation. On September 4, 2020, SCAG notified the City that its RHNA obligation has increased 800% from its 5th Cycle obligations of 217 housing units to the 6th Cycle obligations of 1,791 housing units. The City respects the importance of providing affordable housing and understands the important role government can have in fulfilling this goal. In the latest Annual Element Progress Report, the City has proven its sincere commitment to affordable housing by already exceeding its Low-Income housing goal by over 470%, producing 151 low-income housing units.

The City believes strongly that the appeal is consistent with the sustainable communities strategy contained within SCAG's Connect SoCal Plan as the City continues to promote higher density urban infill housing projects that are strategically located within mixed-use districts. The City's appeal does not dampen or impede our proactive efforts in furtherance of the objectives contained in Government Code Section 65584(d). San Fernando has demonstrated its commitment to the provision of affordable housing as documented with verifiable building permits included in each Annual Element Progress Report. San Fernando remains committed to affirmatively furthering fair housing, increasing housing supply and mix of housing types, and promoting urban infill development. The Appeal request will enable San Fernando to continue striving methodically and realistically towards compliance with an updated RHNA Allocation that accurately reflects the City's obligations.

The City of San Fernando appeals the City's RHNA Allocation based upon the following three criteria as authorized in California Government Code Section 65584.05(b):

- Local Planning Factors
- Methodology
- Changed Circumstances

LOCAL PLANNING FACTORS

Incorporated in 1911, today's San Fernando is completely built-out, with a lack of developable land, and a dilapidated and under-sized public infrastructure that strains to handle increased development pressures.

- Lack of Developable Land:** San Fernando is approximately 2.3 square miles in size and as the City grew around its small downtown and light industrial uses, the vacant land began to fill-in. Today, contemporary San Fernando is a suburban bedroom community with a predominance of single-family residential neighborhoods. The City's certified 5th Cycle Housing Element identified 25 sites as eligible housing sites, of which one percent is vacant. If all of these 25 sites were developed into housing, at a density of 32-37 du/ac., a maximum of 526 housing units can be developed, well short of the 6th Cycle RHNA Allocation of 1,791 housing units. However, the additional screening criteria, pursuant to AB 1397, (i.e. available and suitable, realistic and demonstrated potential for development) placed on determining eligible properties for housing will disqualify some of these 25 sites, severely limiting the potential pool of eligible housing sites, and further impacting San Fernando's ability to comply with the 6th Cycle RHNA Allocation. Additional housing sites for the 6th Cycle, therefore, must be identified. The City will have to consider additional sites that were not included in the previous Cycle. For example, the City must focus on transitioning additional under-utilized properties into higher density housing developments. The typical ownership pattern in San Fernando are small contiguous lots that would need to be assembled into a larger development site. The land assemblage problem is further burdened by the economics of remediating the site from years of industrial use. San Fernando has several major constraints that inhibits the use of existing properties, which severely limits or totally restricts the City's ability to accommodate the 6th Cycle RHNA Allocation.
- Lack of Public Infrastructure:** The City is burdened with undersized and broken water and sewer lines, and with the passage of AB 1397, the potential list of housing inventory sites must have sufficient public infrastructure to support and be accessible for housing development. In 2019, the City commissioned an independent assessment and analysis of the failing water and sewer system (see Exhibits 1 and 2). The study concluded that extensive repairs and comprehensive maintenance of the systems were needed, creating an annual shortfall of approximately \$500,000. New public infrastructure improvements necessitated by infill projects will become project costs, thus increasing the overall cost of each housing unit built.

METHODOLOGY

In examining the Job/Housing, San Fernando was allocated a greater percentage of RHNA-housing units than when compared with other cities according to certain parameters (see Exhibit 3).

- Local Housing Inventory:** Cities with comparable 2016 Housing Inventory such as La Puente and South El Monte, all had a lower RHNA/2020 Housing Inventory, 0.19 and 0.11, respectively, compared to San Fernando's 0.27.
- County Housing Inventory:** The number of housing units in San Fernando represents 0.18 percent of the County's 2020 Housing Units and yet disproportionately represents 0.22 percent of the County's 813,082 RHNA Allocation.

- **TOD/HQTA:** The cities of Los Angeles and El Monte both have greater percentage of the County RHNA but these cities have several light rail stations and high-quality transit corridors/routes to justify TOD oriented projects. San Fernando does not have an existing light rail station and as explained in the next criteria, will not have a light rail station in the foreseeable future.
- **Net Residual Factor for Existing Need:** San Fernando believes that the distribution of the 122 “residual units” would have been more equitable and sustainable if it was allocated to job-rich jurisdictions, which also tend to have High Quality Transit Corridors and Areas. The allocation of the 122 “residual units” to San Fernando only encourages greater Vehicle Miles Traveled, increasing GHG emissions and worsening air quality.

CHANGED CIRCUMSTANCES SINCE APRIL 2019

Significant and unforeseen change in circumstances has occurred outside the control of San Fernando and merits a revision of the information used in developing the RHNA Allocation. The City’s long-range plan and vision were dramatically altered by the recent public announcement this month of Metro’s funding shortfall for the construction of the East San Fernando Valley Transit Corridor (ESFVTC) and the COVID-19 pandemic.

- **ESFVTC/HQTA:** In October 2020, Metro announced that the construction of the ESFVTC light rail project has been divided into two segments due to financial constraints (see Exhibit 4). Metro has sufficient funds to build only the Initial Operating Segment (IOS), connecting the existing Orange Line in Van Nuys to the Pacoima Station by 2028. However, Metro currently does not have funding for the second segment from the Pacoima Station, to the downtown San Fernando station and cities further north. It is unknown as to when funding will be secured for the second segment, possibly not for several more years past the end of the 6th Cycle in 2029. Furthermore, Metro Bus Line 234/734 is the main bus route connecting San Fernando to Los Angeles and is currently operating at 30-minute headways during the morning and afternoon peak traffic periods with the exception of the northbound 734, during the 5-6 p.m. weekday where there are four buses operating at 13-15 minute headways (see Exhibit 5). This does not meet the definition of a Major Transit Stop as there are no two intersecting bus lines with a frequency of service interval 15 minutes or less, nor does it meet the definition of a High Quality Transit Corridor, as only one bus line has service intervals 15 minutes or less during the northbound afternoon peak only. In summary, the ESFVTC light rail project is short of construction funds, the second leg into San Fernando and the construction of a downtown light rail station is on indefinite hold and will not be built within the 6th Cycle RHNA planning period. Further, there are no high frequency bus routes operating in San Fernando. The City of San Fernando does not qualify as a HQTA city.
- **COVID-19 Pandemic:** The COVID-19 pandemic has had a demonstrable impact on the national economy but San Fernando’s economy and residents have been hit particularly hard. The pandemic was an unforeseen impact during the development of the RHNA methodology and will definitely have long-lasting impacts on San Fernando’s economy

and housing market. The pandemic has devastated communities of color and San Fernando has not been spared. San Fernando is 92 percent Latino and one-third of the residents are in poverty (see Exhibit 6). The mortality rate for this population segment is shocking as Hispanics/Latinos have a 2.85 times greater death rate due to COVID-19 than whites and the ripple effects on San Fernando is unmistakable (see Exhibit 7). The majority of San Fernando's businesses are small "mom and pop" businesses. These family businesses are especially hit hard by the pandemic and are forced to close temporarily but in many cases, permanently. San Fernando is a working-class community and the residents are struggling through this pandemic and are facing housing challenges. The pandemic's domino effect is impacting the local businesses, property owners, and renters.

Brief Description of Appeal Request and Desired Outcome:

San Fernando respectfully request that the RHNA Allocation of 1,791 be reduced. San Fernando shares SCAG's vision in seeking a path forward for the region to accommodate an evergrowing need for affordable housing production. We want to be a part of the solution but with only 25 potential housing sites, as identified in the 5th Cycle, it will be even more extremely difficult to accomplish this goal due to the new screening requirements imposed by AB 1397. In the 2019 Annual Element Progress Report, San Fernando developed 28 Very Low- and 151 Low-, and 46 Moderate-Income housing units, in excess of the RHNA targets. Today, San Fernando is in the midst of preparing its 6th Cycle Housing Element and will earnestly meet head-on its regional responsibilities and once again seek to expand eligible housing sites to provide as many housing units as possible.

Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation:

Reduced: 500 (200 VL; 100 L; 100 Mod; 100 Above Mod) **Added:** 0

List of Supporting Documentation, by Title and Number of Pages

- Exhibit 1: PW Water and Sewer Rate Options (9/16/19) [73 pgs.]
- Exhibit 2: PW Water and Sewer Fee Increase (11/26/19) [6 pgs.]
- Exhibit 3: Jobs Housing Balance [1 pg.]
- Exhibit 4: Metro ESFV IOS (PowerPoint presentation, October 2020) [7 pgs.]
- Exhibit 5: Bus Lines 234/734 Metro Local [2 pgs.]
- Exhibit 6: SCAG: Profile of the City of San Fernando [50 pgs.]
- Exhibit 7: LA County Public Health COVID-19 Link [1 pg.]

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