CITY OF SOUTH PASADENA
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
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October 26, 2020

Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Re: Regional Housing Needs Assessment Appeal of South Pasadena Allocation

Dear Mr. Ajise and SCAG Regional Council,

The City of South Pasadena (City) submits this appeal of the housing allocation of 2,062 units received for the 6th Cycle of the Regional Housing Needs Assessment (RHNA). The City is committed to housing affordability, as evidenced by its progress toward meeting the 5th cycle RHNA goals, and by the broad range of housing policies and programs that are under consideration for the 6th cycle Housing Element and updates to its General Plan and zoning ordinances. The City is comprised of an economically and racially diverse community with 53% of its residents as renters and a significant number of long-standing and multigenerational families. With limited resources to serve its residents, including limited sewer and water capacity; and given the unique geographic area and predominance of historic resources (38% of the city) which limit the area suitable for development, the addition of 2,062 housing units over the next decade is arguably infeasible, and, at best, would put unprecedented strain on the City's capacity to thrive, including on its otherwise successful public school system. Because of these local factors, as further described below and in the attached RHNA Appeal Memorandum, and the City's efforts over the past several years to creatively address the housing crisis in California, the City respectfully requests that the Southern California Association of Governments (SCAG) reduce the City's RHNA allocation by 846 housing units for a maximum of 1,216 units.

SCAG has routinely and appropriately considered local factors in past cycles of allocating housing units. Applying South Pasadena's local factors, as outlined above and more fully described in the attached document, to the SCAG 6th cycle methodology, South Pasadena should be allocated a maximum of 1,216 housing units. That said, the City does not believe its public school system can accommodate even half of those new units over the next eight years. Prior to receiving its 6th cycle RHNA allocation, the City's draft General Plan update projected 589 units over the next twenty years.

In January, the City put its General Plan Update on hold in order to integrate the 6th cycle Housing Element and RHNA allocation. The City's Housing Element update is now well

underway, and through an extended preliminary sites analysis, the City understands the great difficulty of accommodating its RHNA. Importantly, the City believes that even 1,216 housing units will be difficult to manage or attain. However, the City's proposed maximum RHNA of 1,216 reflects the City's recognition of the impossible and unsustainable number of total housing units allocated to the Southern California region and the City's attempt to shoulder its share.

The City hereby appeals SCAG's decision to allocate 2,062 housing units to the City of South Pasadena based on the following SCAG appealable criteria:

- Methodology
    - The methodology used to determine South Pasadena's housing allocation in accordance with the approved methodology relies heavily on the inaccurate percentage of High Quality Transit Areas within the City and does not further, and rather undermines the five objectives set forth in California Government Code Section 65584(d).
- Local Planning Factors and Information Affirmatively Furthering Fair Housing
    - South Pasadena's lack of available land suitable for urban development or for conversion to residential use, the lack of availability of underutilized land and the lack of opportunities for infill development
    - South Pasadena's abundance of historic properties eligible for CEQA protection, and thus protected from urban development under existing federal or state programs
    - The impact on South Pasadena's public school system which is at capacity
    - South Pasadena's lack of capacity for sewer and water service due to supply and distribution by third parties and infrastructure constraints for additional development
- Changed Circumstances
    - A significant and unforeseen change in circumstances has occurred in South Pasadena, which merits revision and consideration.

Furthermore, as the City previously stated in its February 27, 2020 letter to SCAG, the regional allocation of 1.34 million housing units to the SCAG region is untenable. The City requests that SCAG continue to appeal its regional allocation to the State of California in order to develop a more reasonable and achievable housing goal in the Southern California region. Forcing local jurisdictions to accommodate these unrealistic housing goals will simply set the region up for failure, result in serious adverse consequences for local jurisdictions and will not adequately address the housing crisis declared by Governor Newsom. The City looks forward to working with SCAG to develop a pragmatic approach toward the current housing crisis. In fact, as noted above, the City of South Pasadena has been proactively addressing the housing shortage through amendments to its General Plan, pursuing changes in zoning and ADU ordinances and adoption of an Inclusionary Housing Policy. South Pasadena is making progress to meet its goal of 63 housing units in the 5th RHNA cycle for all income levels, and to date, has approved over 200 housing units in the current cycle.

On a final note, the City's appeal has been prepared in collaboration with a representative group of informed citizens interested in preserving the City's quality of life while accommodating anticipated growth. The City's "RHNA Appeal Ad Hoc Committee" was established by the

South Pasadena City Council to work alongside staff to research and develop comprehensive and locally informed bases for this appeal. Members include:

- Janet L. Braun - Corporate Attorney and Chair, South Pasadena Planning Commission
- Mark Gallatin, AICP - Urban Planner (retired), South Pasadena Cultural Heritage Commission
- Patrick Kirchen - Wholesale Wine Distributor
- John Lesak, AIA - Architect and Vice-Chair, South Pasadena Planning Commission
- Zhen Tao - Investment Management, CFA, South Pasadena Finance Commission

The committee members bring significant professional experience in such areas as housing element development, urban planning and design, historic preservation, research and data analysis, financial and legal analysis, entrepreneurship and a familiarity with the City's planning processes and cultural and institutional resources.

Thank you for your consideration. If you have any questions or comments please contact Margaret Lin, Manager of Long Range Planning and Economic Development, at mlin@southpasadenaca.gov.

Sincerely,

Joanna Hankamer
Director of Planning and Community Development

Attachments:

1. RHNA Appeal Form
2. RHNA Appeal Memorandum
3. Local Planning Factor Survey

cc: South Pasadena City Council
South Pasadena RHNA Appeal Ad Hoc Committee Members

ATTACHMENT 1
RHNA Appeal Form

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@scag.ca.gov.
Late submissions will not be accepted.

Date: 10/26/20

Jurisdiction Subject to This Appeal Filing:
(to file another appeal, please use another form)
City of South Pasadena

Filing Party (Jurisdiction or HCD)
City of South Pasadena

Filing Party Contact Name
Joanna Hankamer

Filing Party Email:
JHankamer@southpasadenaca.gov

APPEAL AUTHORIZED BY:

Name: Robert S. Joe

PLEASE SELECT BELOW:

- [x] Mayor
- [ ] Chief Administrative Office
- [ ] City Manager
- [ ] Chair of County Board of Supervisors
- [ ] Planning Director
- [ ] Other: _____

BASES FOR APPEAL

- [x] Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)
- [x] 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
  - [x] Sewer or water infrastructure constraints for additional development
  - [x] Availability of land suitable for urban development or for conversion to residential use
  - [x] 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
  - [x] Affirmatively furthering fair housing
- [x] 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 June 15, 2020, 5 p.m.
Appeals and supporting documentation should be submitted to housing@scag.ca.gov.
Late submissions will not be accepted.

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.

Please see attached letter and support documents.

Brief Description of Appeal Request and Desired Outcome:

Please see attached letter and support documents.

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

Reduced 846 **Added** _____

List of Supporting Documentation, by Title and Number of Pages
(Numbers may be continued to accommodate additional supporting documentation):

1. RHNA Appeal Cover Letter, 3 pages
2. RHNA Appeal Memorandum, 24 pages
3. Local Planning Factor Survey, 3 pages

FOR STAFF USE ONLY:
Date_____ Hearing Date: _____ Planner: _____

ATTACHMENT 2

RHNA Appeal Memorandum

CITY OF SOUTH PASADENA

REGIONAL HOUSING NEEDS ASSESSMENT
APPEAL MEMORANDUM

Date: October 26, 2020

To: Southern California Association of Governments

From: The RHNA Appeal Ad Hoc Committee of the City of South Pasadena, California

Re: Appeal of the Draft Allocation to South Pasadena of 2,062 Housing Units for the 6th Regional Housing Needs Assessment Cycle

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On September 3, 2020, the Southern California Association of Governments ("SCAG") approved the draft allocation of new housing units to cities and other jurisdictions as part of the 6th Regional Housing Needs Assessment ("RHNA") Cycle. As a result, SCAG allocated 2,062 new housing units to the City of South Pasadena ("South Pasadena or the "City") for the 6th RHNA cycle (housing units to be planned for approvals/permits from 2021-2029). In the 5th RHNA cycle, South Pasadena was allocated 63 new housing units. The allocation to South Pasadena for the upcoming RHNA cycle is a **3,373% increase** in housing units from the prior allocation.

South Pasadena simply cannot accommodate 2,062 housing units within the next eight years without creating extraordinary strain and potential failures on the City's infrastructure, including sewer and water systems, public schools and historic, protected districts. Moreover, adding 2,062 housing units to the City would result in extreme financial challenges, potentially creating financial instability for the City. While the City is willing to work with SCAG and the State to address the state housing crisis (evidenced by achieving 240% of its current RHNA allocation), the realities of the local limitations and constrained development opportunities must be considered for purposes of the housing allocation. This memo highlights key regional and local factors that should be considered by SCAG in reevaluating the feasibility of the City's RHNA. In addition, the City and Committee offer support and willingness to partner with SCAG to challenge the state's total housing allocation to the Southern California region, as that allocation is significantly flawed.

We believe the state's original goal of 3.5 million housing units was miscalculated and should be appealed. As a small historic city, SCAG should reconsider the City's allocation of 2,062 units due to 1) the lack of water capacity; 2) the limits to our City's aging sewer system; 3) that much of HQTA designated areas are in-fact recognized historic districts; 4) the appropriateness of HQTA as an allocation methodology; 5) the City's limited refill/infill land availability; and 6) the undoubtedly higher student population growth that South Pasadena schools has and will experience, which the district cannot accommodate.

Applying South Pasadena's local factors, as outlined above, and more fully described below, South Pasadena should be allocated a **maximum of 1,216 housing units for the 6th RHNA cycle.** That said, the **City does not believe its public-school system can accommodate even half of these new units over the next eight years as even a 323 (3%) unit growth has added 959 (24.6%) student enrollment over the last 20 years.**

I. State of California Overstatement of Units for Allocation

Overstatement of Housing Units for Allocation by the State

The City of South Pasadena challenges the State of California's total housing unit allocation to the SCAG region. The September 2020 issue of The Planning Report includes an article, "CA's Housing Needs Assessment Used Incorrect Data & Masks California's Failure to Build Affordable Housing", which cites an analysis by the Embarcadero Institute demonstrating how the 6th cycle Regional Housing Needs Assessment (RHNA) in California has been miscalculated, by **double.** The article states, "**use of an incorrect vacancy rate and double counting, inspired by SB-828, caused the state's Department of Housing and Community Development (HCD) to exaggerate by more than 900,000 the units needed in SoCal, the Bay Area and the Sacramento area."**[1] The article suggests that calculation errors stemmed from three incorrect assumptions by the authors of Senate Bill 828 (Wiener) and the state Department of Housing and Community Development (HCD):

1. that the state Department of Finance did not account for existing housing need in the 5th cycle (the state Department of Finance did, but the data was presented differently in order to appropriately account for the impact of the foreclosure crisis of 2007-2010);
2. that a 5% vacancy rate is not healthy for owner-occupied housing (which is true for rental housing only; a historically healthy owner-occupancy vacancy rate is around 1.5%); and
3. that the state Department of Finance did not account for overcrowding and cost-burdening (the state Department of Finance did account for both, and for optimal impact).

The article concludes that the overestimated RHNA obscures the larger obstacles to affordable housing in California, namely the lack of funding for affordable housing production; and that, "the state's approach to determining housing need must be defensible and reproducible if cities are to be held accountable for them".[2] The South Pasadena RHNA Appeal Ad Hoc Committee further posits that grossly overestimating the housing need (by double) pits local jurisdictions against one another and alienates local planning departments from the community members they represent, eroding trust in the planning process, and jeopardizing local plans and programs to provide more affordable housing. Rather than focusing planning efforts toward accommodating an infeasible amount of new housing, and compromising local and regional relationships along the way, the focus should be on identifying state funding sources for affordable housing; creating policies to better balance the market to affordable rate housing production; and supporting such inter-jurisdictional collaborations as the San Gabriel Valley Regional Housing Trust, of which South Pasadena is a member.

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[1] The Housing Report, California's Housing Needs Assessment Used Incorrect Data and Masks California's Failure to Build Affordable Housing, September 2020

[2] Id.

II. Information Furthering Fair Housing and Allocation Methodology Used by SCAG

Objectives for RHNA Allocations Established by California Government Code

California Government Code Section 65584 sets forth the legislative basis and foundational goals of the housing allocations among jurisdictions within California. Section 65584(d) provides the objectives that must be furthered by an allocation plan by local government groups such as SCAG. These objectives include: "affirmatively furthering fair housing."[3] The Code defines "affirmatively furthering fair housing" as: taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics."[4] As provided in the Government Code, South Pasadena continues to embrace the goal of furthering fair housing within its borders, as evidenced by its vibrant diversity and commitment to community.

Founded in 1888 at the juncture of the San Fernando and San Gabriel Valleys, South Pasadena is one of the oldest cities in the Los Angeles area with numerous historic districts and a varied topography, both of which increase development costs and present challenges to new housing opportunities. South Pasadena is a diverse community both racially and socio-economically which contributes to the rich character of the community and meets one of the critical goals of California Government Code Section 65584, the law underlying the RHNA allocation.

South Pasadena is a 3.44 square mile city with a total population of 25,824 residents.[5] The City boasts a diverse population with a race/ethnicity breakdown of 55% White, 30% Asian, 19.5% Hispanic/Latino, and 3% Black; the median age in South Pasadena is 40.1 years and 25.8% of the population is less than 20 years old.[6] Given the City's 132 year history of building and development, the population has remained stable, with a 0.8% increase over the last 8 years.

Despite its small geographic size, South Pasadena offers 10,893 housing units, with a housing density of 3,199 housing units per square mile, which is the 3rd highest of all cities in the City's comparative region and significantly higher than the overall California housing density of 91 housing units per square mile.[7] Over half of all housing units in South Pasadena, 53%, are rental units, with a median monthly rental of $1,661 (compared to the California median of $1,429).[8] South Pasadena's topography includes both "flat lands" and many hillside areas with substandard narrow and steep streets, which create multi-unit development and emergency service challenges. In addition, over 38% of all properties in South Pasadena have been designated as historic, thus limiting the amount of reasonable development potential on such sites.

Residents of South Pasadena value education. An impressive 96% of adults in the City have at least a high school education, the second-highest in the comparative region, and 65% have

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[3] California Government Code Section 65584(d)(5).
[4] Id., Section 65584(e)
[5] American Community Census Data 2019, https://www.towncharts.com/California/Demographics/South-Pasadena-city-CA-Demographics-data.html
[6] Id.
[7] American Community Census Data 2019, https://www.towncharts.com/California/Housing/South-Pasadena-city-CA-Housing-data.html
[8] Id.

a college bachelor's degree or higher.[9] According to Niche, a data-driven organization that uses real data and outcomes to evaluate schools and colleges nationwide, the South Pasadena Unified School District ("SPUSD") is ranked 141 of 10,760 (top 1.3%) districts in the United States, 14 of 440 in California (top 3.2%) and 6 of 99 (top 6%) in the Los Angeles area.[10] Moreover, South Pasadena is rated 3rd of 144 (top 2%) for best teachers in the Los Angeles area.[11] South Pasadena's schools remain outstanding and some of the best in the area despite having a below average revenue per student of $9,775, which is below the state average of $10,657.[12] SPUSD student population scores a 61 (diverse) on the Ethnic Diversity Index.[13] South Pasadena High School and Middle School are even more diverse than the City, with a student makeup of 40% Asian, 31% White, 23% Hispanic, 3% Black and 3% of 2 or more races.[14] A total of 91% of school-age residents of South Pasadena attend the elementary, middle and high schools that comprise the SPUSD.[15]

Most households in the City are comprised of two or more earners and only 28% of households have a single-earner (the lowest number of single-earner households in the comparative region).[16] Only 10% of households have no one working, the second lowest in the City's comparative region. Among racial groups in the City, the median income of Black residents is the highest, Asian residents the 2nd highest, White residents the 3rd highest and Hispanic residents the 4th highest.[17]

South Pasadena's commitment to affirmatively furthering fair housing is not only evident by its demographics but also by many of its recent actions, including the development of an Inclusionary Housing Ordinance, amendment of its Accessory Dwelling Unit (ADU) ordinance to relax certain limitations on ADUs, and the update of a General Plan and Downtown Specific Plan to allow more building density.

To successfully address the State's housing crisis, local factors for implementation must have a greater role in the policy making process. Failure to take local factors into consideration will result in a good idea that goes unimplemented, or implemented with unforeseen consequences that cause a breakdown in one or more components of the City's critical infrastructure, such as the

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[9] American Community Census Data 2019, https://www.towncharts.com/California/Education/South-Pasadena-city-CA-Education-data.html

[10] Niche.com website, https://www.niche.com/k12/d/south-pasadena-unified-school-district-ca/rankings/

[11] Id.

[12] Public School Review website, https://www.publicschoolreview.com/california/south-pasadena-unified-school-district/637500-school-district

[13] The Ethnic Diversity Index is intended to measure how much "diversity" or "variety" a school or district has among the ethnic groups in its student population. More specifically, the Index reflects how evenly distributed these students are among the race/ethnicity categories reported to the California Department of Education. The more evenly distributed the student body, the higher the number. For example, a school that had exactly 1/8th of its students in each of the eight categories* would have an Ethnic Diversity Index of 100, and a school where all of the students are the same ethnicity would have an index of 0. In reality, of course, no school has an index of 100 (although a few have diversity indices of 0). Currently the highest index for a school is 76. http://www.ed-data.org/district/Los-Angeles/South-Pasadena-Unified

[14] American Community Census Data 2019, https://www.towncharts.com/California/Education/South-Pasadena-city-CA-Education-data.html

[15] Id.

[16] American Community Census Data 2019, https://www.towncharts.com/California/Economy/South-Pasadena-city-CA-Economy-data.html

[17] Id.

public-school system. South Pasadena is interested in working with SCAG to develop achievable affordable housing goals with practical implementation steps. The following is a detailed analysis of the specific factors for this appeal in accordance with Government Code section 65584.05.

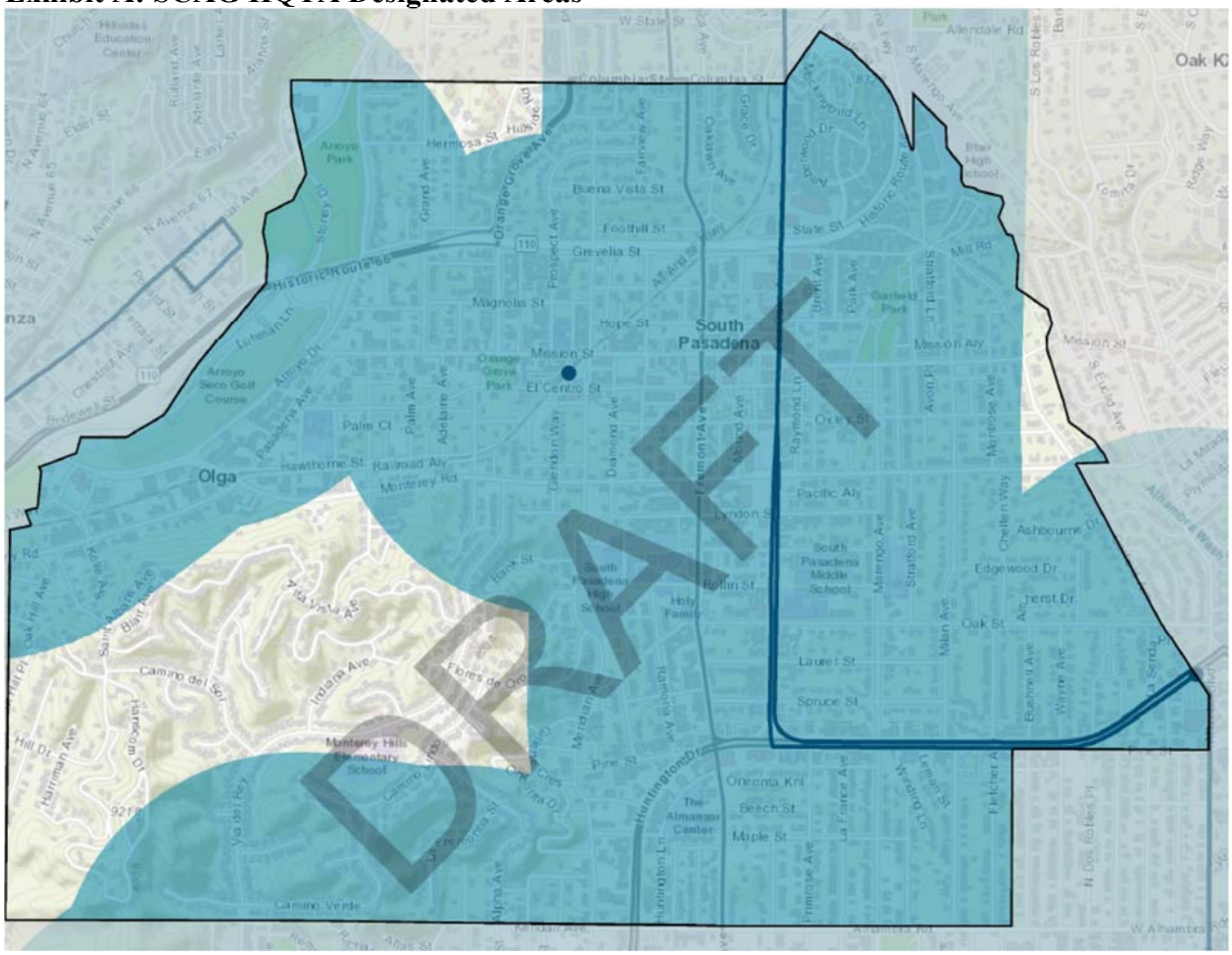
Household Growth Assumed for Regional Transportation Plan: HQTA Designation

- The intent of the HQTA designation was to map out areas that are walkable to public transit, with an assumption that if more housing units could be built within a 0.5-mile radius of an HQTA, traffic, vehicle emissions and congestion would be reduced.
- Local data and conditions do not support SCAG's predominant reliance on HQTAs, nor the generic designation metric of a 0.5-mile radius.
- 46% of the HQTA coverage area assigned to South Pasadena conflicts with historic districts and protected open space.
- 4% of the HQTA area is without sidewalks and/or has grades in excess of 5% in the hillside making it not conducive to walking.
- The City's HQTA area coverage should be reduced to 48% of the assigned coverage.

As part of the RHNA allocation process, SCAG examined transit stop locations to identify areas within 0.5 miles that could be designated "High Quality Transit Areas (HQTA)" and allocated more housing units in those areas. The intent of the HQTA designation was to map out areas that are walkable to public transit, with an assumption that if more housing units could be built within a 0.5-mile radius of an HQTA, more people would use public transportation, and vehicle emissions and congestion would be reduced by the use of public transportation. Unfortunately, the 0.5 mile metric used for HQTA designations and resultant housing allocation are insufficient because they do not consider local factors impacting development within such 0.5-mile radius. In South Pasadena, the areas designated as HQTA by SCAG include considerable numbers of properties that include unwalkable hillside terrain and a predominance of historic districts in which development is limited. These factors challenge the use of a simple generic metric of a 0.5-mile radius for intensification of land use. Thus, South Pasadena challenges the application of this metric and methodology for allocating housing units in the City.

Further, while 89% of the residents are within HQTAs areas per SCAG and public transit consideration was a key driver to the large housing allocation, additional data shows that only 5% of South Pasadenan residents who commute to work use public transit. This challenges the underlying assumption that the generic HQTA designation is applicable in in meaningfully predicting increases in public transit use or reductions in emissions in South Pasadena, likely due to local factors.

Exhibit A: SCAG HQTA Designated Areas



Source: SCAG

The HQTAs identified by SCAG in South Pasadena (area that is within a 0.5 mile radius of public transit) are indicated on *Exhibit A: SCAG HQTA Designated Areas*. While a 0.5 mile radius is the typical walkshed metric for a HQTA designation, the application of this general metric to South Pasadena fails to consider the unwalkable hillside terrain within the area that is 0.5 miles of transit stop, the large percentage of historic properties and districts in such HQTA designated area where neighborhood intensification is constrained and the existence of designated open space and school property with such HQTA designated area. *Exhibit B: South Pasadena HQTA, Topographic, and Historic Overlay* illustrates the relationship between topography/walkability, historical districts and open space, school facilities, and SCAG's HQTA Map. The overlay shows that:

- 4% of the HQTA is not "actually" walkable or transit accessible;
- 6% of the HQTA is occupied by protected open space and school facilities; and
- 42% of HQTA area includes either a historic resource, an eligible historic resource, or is within a historic or potentially historic district where character of development matters and where increasing density is difficult.

Therefore, HQTA in South Pasadena should effectively be reduced from 89% to 48% of the City based on local input.[18] **Furthermore, because the HQTA directly relates to two categories**

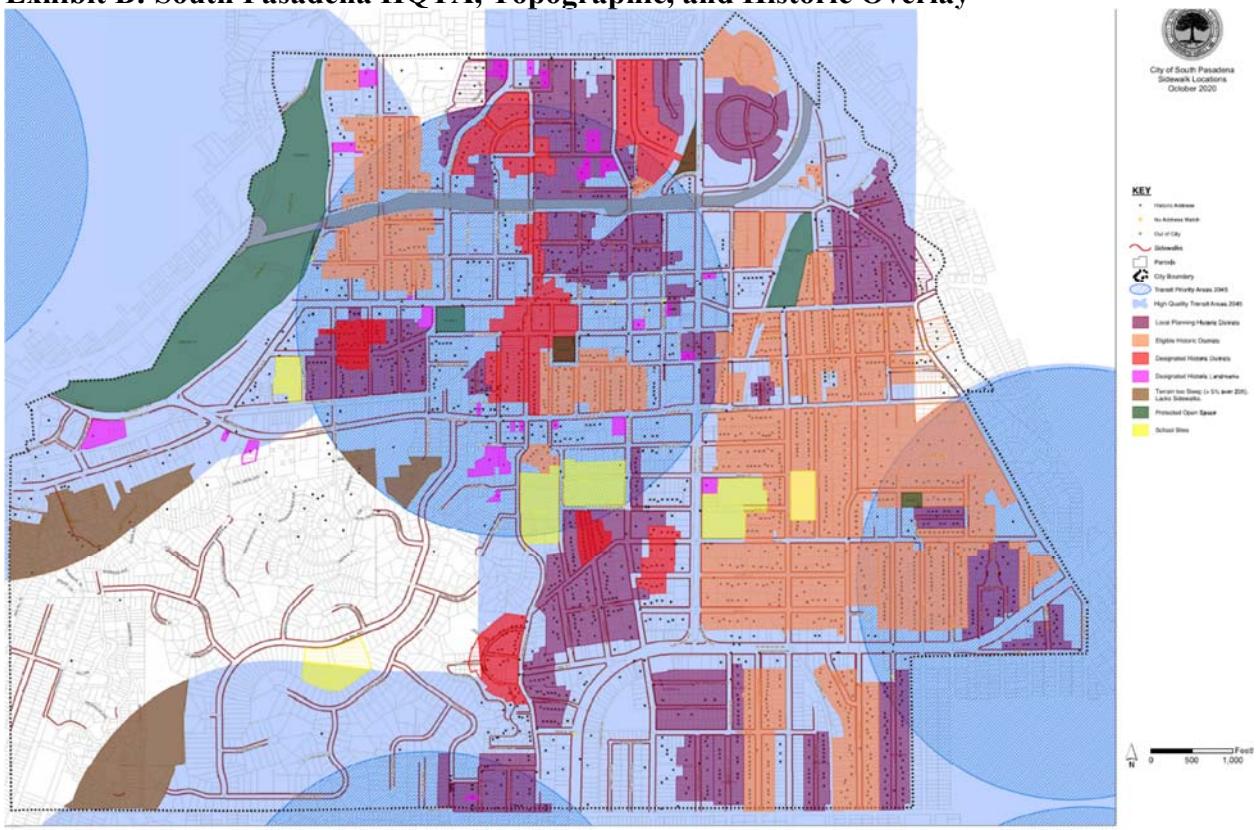
[18] See Exhibit B, South Pasadena HQTA, Topographic, and Historic Overlay.

within SCAG's RHNA calculation methodology, "existing need due to HQTA population share" and "existing need due to job access", both should be reduced by 52%, leading to a coverage of 48% rather than 89%, reducing the City's RHNA by 846 units for a proposed maximum RHNA allocation of 1,216.

Local Planning Factors Affecting HQTA

Description	**Area (Acres)**	**Percentage of HQTA**
High Quality Transit Area	1,827	100%
Areas within HQTA		
Total (CEQA) Eligible Historic Districts	372	50%
Total Designated Historic Districts	78	4%
Total Local Planning Historic Districts	287	16%
Total Arroyo Seco Historic Parkway	25	1%
Total Protected Open Space	88	5%
Total without Sidewalks and/or Grades in Excess of 5%	69	4%
Total School Sites	41	2%
Total	959	52%

Exhibit B: South Pasadena HQTA, Topographic, and Historic Overlay



The need for considering local factors in determining HQTA is reinforced by local trends. As demonstrated by the American Community Survey data in 2019, **despite SCAG's designation of several HQTAs in South Pasadena, 84% of residents in South Pasadena drive a car to work with an average commute time of over 31 minutes (longer than nearby cities) while**

only 5% of residents use public transportation. Thus, the causal connection that SCAG is proposing between the allocation of more housing units in HQTAs to facilitate the use of public transportation by commuters to their jobs is just not supported by local data. Long car commutes are often the impetus for the behavior changes that increase transit ridership, but this is not proved in this case. That said, the City's draft General Plan, Downtown Specific Plan, and Housing Element focus additional housing opportunities along Mission Street near the Gold Line station and along Fair Oaks Avenue well-served by Metro bus routes to continue to encourage the use of public transportation.

Further, the City believes that HQTA was used as a major factor for RHNA allocations due to the concerns for commuting emissions. However, **recently Governor Newsom signed an executive order banning the sale of carbon-emission vehicles by 2035; that goal, together with the rapid adoption of electric vehicles in California, combined with the data that only 5% of South Pasadena residents use public transportation for their commutes and the expected result of the recent COVID-19 pandemic that more people will work from home, the use of HQTA as a predominant factor to allocate housing units in South Pasadena should be reconsidered.**

For the above reasons, and as expanded on below regarding land suitable for urban development, the City respectfully requests that SCAG reconsider its assumptions for the HQTA designations within South Pasadena and reevaluate the City's RHNA allocations based on HQTA and job accessibility.

III. Local Planning Factors Must be Considered for the RHNA Allocation

Local planning factors must be taken into consideration while developing the RHNA allocation to ensure achievable goals are established and meaningful actions can be taken. There simply is not enough available developable property in South Pasadena to accommodate 2,062 new housing units within eight years. Forcing the City to accommodate an unreasonable amount of housing units will not lead to the successful development of more housing, but result in unsustainable development with unmitigated impacts on local infrastructure. South Pasadena is interested in working with SCAG to develop achievable affordable housing goals with practical implementation steps, but it cannot absorb 2,062 new housing units in the next 8-year RHNA cycle.

<u>Lack of Available Land Suitable for Urban Development/Conversion to Residential Use</u>

- South Pasadena is one of the oldest cities in the Los Angeles and as such, there is very little land suitable for development or conversion into residential property.
- Using a simple value-to-land ratio of 1.0 for commercial and multi and less than 0.5 for single-family residential properties distorts the true refill potential in an older district where low historic property values were used.
- About a quarter of the City is on hillside with another half of the City covered by historical properties and districts, significantly reducing the amount land available for redevelopment.

Government Code Section 65583.2 requires that as part of any housing allocation to a city, such city's inventory of land suitable for residential development must be identified and analyzed. "Land suitable for development" is described in detail in Government Code Section 65583.2(b) but includes "residentially zoned sites that are capable of being developed at a higher density" and

"sites zoned for nonresidential use that can be redeveloped for residential use." In creating the inventory of any such sites, the city is required to consider environmental constraints to the development of housing and the water, sewer and other dry utilities supply, including the availability and access to distribution facilities. Section 65583.2(c) requires, as part of any Housing Element, that local governments must demonstrate that the projected residential development capacity of identified sites can realistically be achieved.

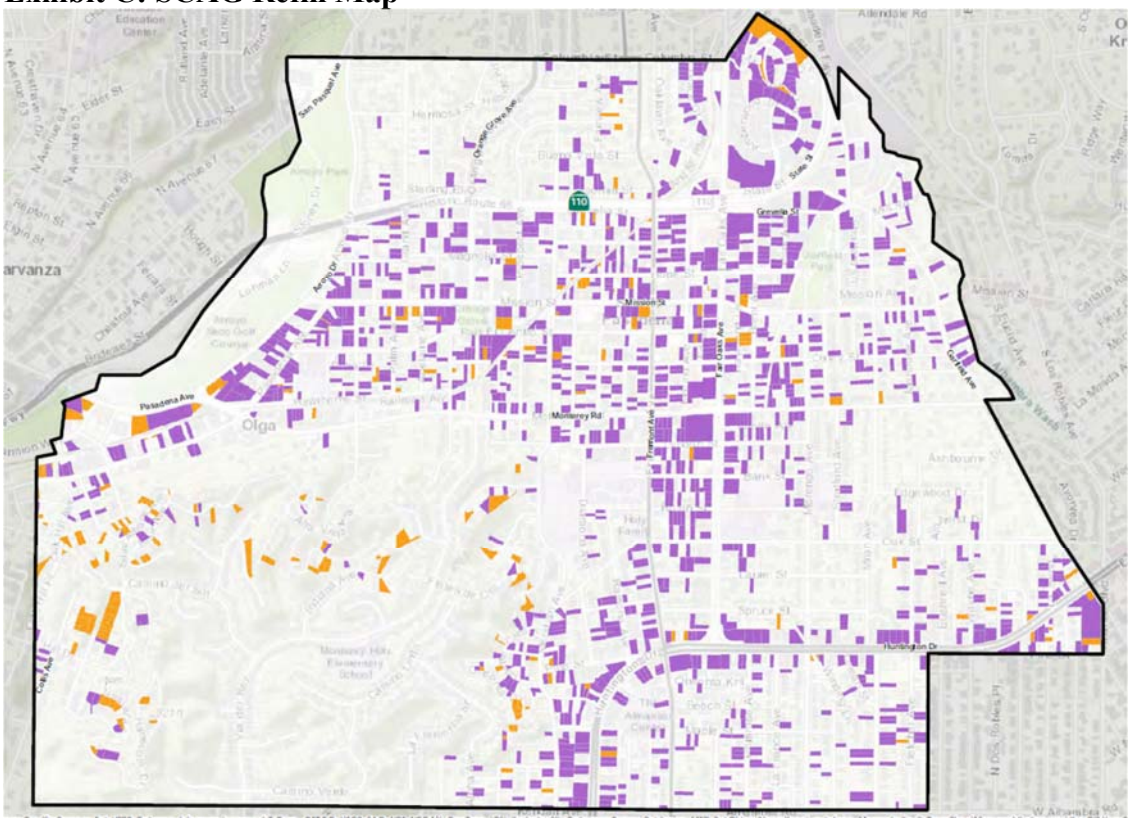
As **South Pasadena is one of the oldest and most mature cities in the Los Angeles area, it includes very few parcels of land suitable for development or conversion into residential properties.** Despite the dearth of properties available for housing development, South Pasadena is actively and creatively pursuing available alternatives and sites for additional housing, including affordable housing. Notably, given the State's decision not to extend the 710 freeway, over 100 properties in South Pasadena, some of which are historic, owned by Caltrans will soon become available as potential affordable housing units. The South Pasadena Preservation Foundation, Caltrans, tenant groups and state legislators are currently working together on a plan to return these properties to private ownership and keep many of them affordable as required by the Roberti Act. In addition, South Pasadena is working on an Inclusionary Housing Ordinance that will require a minimum number of new housing units in the City to be affordable to low and very low-income residents. Moreover, South Pasadena's efforts toward the addition of housing units when feasible is evidenced by the City's approval (to date) of 214 housing units, including 17 low income units, during the current 5th RHNA cycle, far exceeding the City's RHNA allocation of 63 new housing units (an achievement by the City of 240% to date of its allocated number in the 5th RHNA cycle).

In 2017, SCAG developed a map of potential infill development parcels within its jurisdiction, including South Pasadena[19]. That map, attached hereto as Exhibit C (the "Refill Map"), identifies two types of properties: vacant parcels and numerous developed parcels throughout the City labeled as redevelopable or refill parcels. SCAG staff has explained that these refill parcels were identified as a potential tool for the City to rely on in meeting its RHNA requirement. The premise behind these residential refill parcels is faulty and demonstrates an unrealistic understanding of the development opportunities available within the City. Many of the residential "refill" parcels identified in the Refill Map for South Pasadena will simply, for one reason or another, not be available in the next eight years for redevelopment.

Refill parcels are privately owned, developed properties, which have an improvement-value-to land value ratio of less than 1.0 for commercial and multi-housing residential properties, and less than 0.5 for single-family residential properties. For example, an early 20th century home under 1,000 square feet on a reasonably sized lot is an example of a single-family residential refill parcel. The property is considered economically underutilized for the dollar value of the home (and its improvements) versus the dollar value of the raw land. A similar example is a modest one-story 1930s apartment complex.

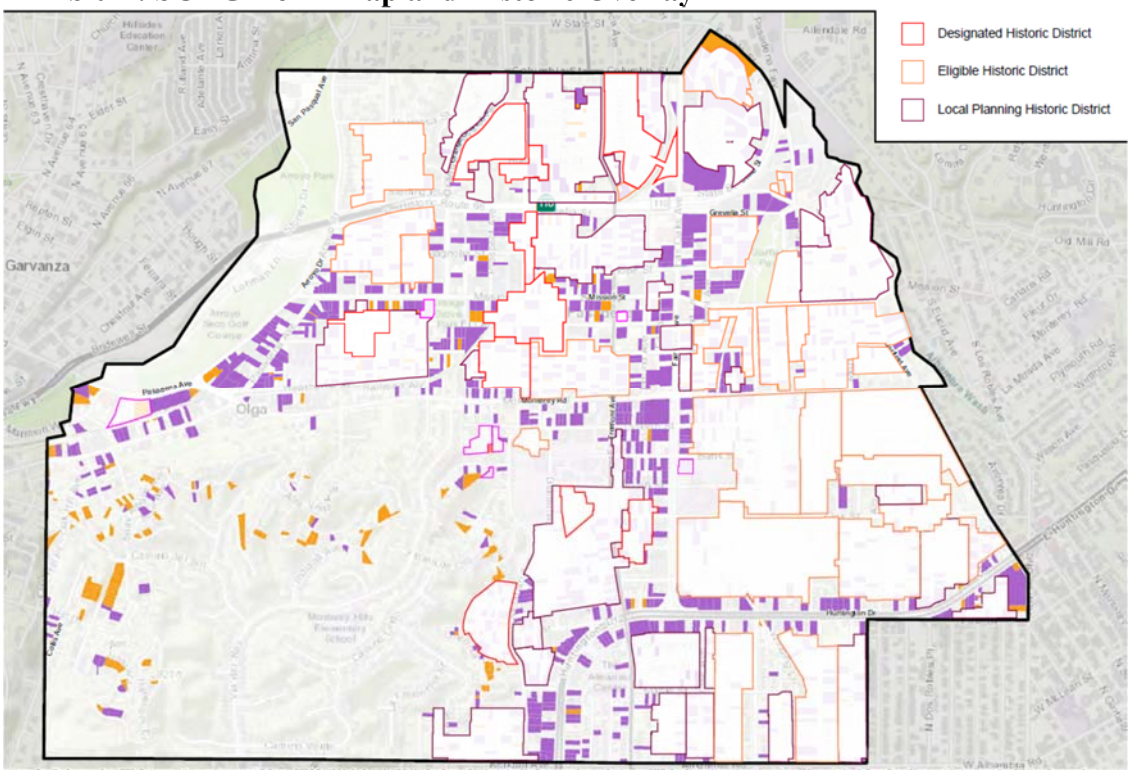
[19] See Exhibit C, SCAG Refill Map

Exhibit C: SCAG Refill Map



Source: SCAG

Exhibit D: SCAG Refill Map and Historic Overlay



SCAG has noted weaknesses of refill parcels as a tool for meeting RHNA numbers due to many factors, including inaccuracies in county assessor data (e.g., land and structure assessments on properties last sold prior to 1990 and existing structures renovated but not reassessed), assumptions by SCAG modelers that parcels economically underutilized and therefore available as potential refills may in fact not be physically deteriorated or economically under-valued, and the inherent uncertainty of whether the identified potential refill sites would be made available by the current owners for sale or development.[20] The Institute of Urban and Regional Development, the entity that conducted the statewide residential infill survey, also observed the following negative planning issues with infills, including refill parcels, to relieve the housing shortage:

> "Done without good planning — that is, when not linked to appropriate infrastructure development and public service improvements — additional infill development becomes a formula for increased local traffic congestion, over-crowded schools and parks, and buildings that disrespect the history and character of existing neighborhoods. Done too quickly and without adequate safeguards, additional infill becomes a formula for gentrification, as existing residents are displaced to make way for new homes they can afford to neither buy nor rent. Done without reference to a viable financial model and the needs of private developers to earn reasonable rates of return, infill becomes simply a pipedream."[21]

The refill methodology to determine land suitable for development is overly reliant on a simplistic ratio (improvements to land monetary values) to indicate that a single-family home or a multi-family residential property is a potential refill parcel. The ratio cannot account for a variety of factors, including the role that residents themselves play in housing, such as their desire to remain in place for as long as they wish. While SCAG did include some limiting factors in its RHNA allocation, the monetary values employed to create these ratios are taken from the Los Angeles County Assessor's database which is often inaccurate, as publicly cautioned by the Assessor's Office. In fact several parcel identified as "refill parcels" in South Pasadena for purposes of the meeting the City's RHNA will not, or should not, become available for development in the next 8-year RHNA cycle. This is true for many reasons, including the following:

1. The values from the Los Angeles County Assessor's Property Assessment Information System are inaccurate, and noted as such by the County Assessor.
2. Utilizing the values from the Los Angeles County Assessor's database and other public information databases to create an improvement-value-to land value ratio is flawed for establishing the property's economically underutilized potential as a refill parcel.
3. The assumption that "bundled" parcels, if purchased together and joined legally, would make them more desirable (i.e., with a larger lot size) to developers fails to take the time and cost of negotiation into consideration. In addition, developers have tended to

[20] SCAG. 2017. Data/Map Book for the City of South Pasadena. From the 2020 Regional Transportation Plan/Sustainable Communities Strategy--Local Input & Envisioning Process, p. 17 (pdf version)

[21] Landis, J. Hood, H., and C. Amado. 2006. The Future of Infill Housing in California: Opportunities, Potential, Constraints, and Demand Infill. In: Frameworks -- A Publication of The College of Environmental Design at the University of California at Berkeley, Spring 2006: https://frameworks.ced.berkeley.edu/2006/the-future-of-infill-housing-in-california/

view these bundled parcels as "…low density, low volume infill production, which many agreed was relatively costly and inefficient from a management perspective[22]".

4. Construction activities off narrow streets, oversized and densely packed homes, and extremely steep slopes, make parcels identified as "refill parcels" in Exhibit C too expensive and unlikely to ever become affordable housing.
5. Most residents, both homeowners and tenants, stay in South Pasadena for a long period of time, a trend which is likely to continue, and well beyond SCAG's 6th Planning Cycle.[23] For young families that move into the City for the schools, they are determined to remain for the duration of their children's education, at least 13 years. Other families with children old enough to attend the middle and high schools tend to stay in housing units for most of a full RHNA cycle if not longer. Older residents remain generally because of their attachment to the community. If possible, most elderly residents tend to age out in their homes.[24]
6. Renovations to an "economically underutilized" refill parcel may have been done and yet not recorded by the Los Angeles County Assessor's office, resulting in properties mistakenly identified as underutilized.
7. The City of South Pasadena has recorded all historic structures in its Inventory.[25] South Pasadena residents value the historic single-family residences, duplexes, and apartment buildings built in the late 19th century through the mid-20th century. Consequently, residents tend to retain their properties rather than selling to a developer to create additional housing units.
8. There are counter-productive and unintended consequences of creating more housing on "economically underutilized" properties. For example, older buildings (residential and commercial) are already providing affordability for residential and commercial tenants and local business owners. Evictions, mandatory relocation programs, and foreclosures have a substantial life-altering experience to those individuals affected. California Government Code, Section 65584.04(a), states that the council of governments, like SCAG, must develop their methodology to support five objectives of RHNA, including: … (2) promoting infill development and socioeconomic equity. Promoting the refill parcels on the Refill Map attached as Exhibit C could lead to substantial displacement of longtime residents and not meet RHNA's goal of socioeconomic equity. "Gentrification is undermining the social and economic fabric of communities of color nationwide. The affordable housing crisis is leading to more and more low-income families and individuals being evicted to make room for higher paying renters or condominium purchasers. Rapidly gentrifying urban centers are

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[22] Felt, M. 2007. "Patching the Fabric of the Neighborhood: The Practical Challenges of Infill Housing Development for CDCs." In: Neighbor Works America, p. 2. Available at: https://community-wealth.org/sites/clone.communitywealth.org/files/downloads/paper-felt.pdf.

[23] Editorial Staff. 2020. "Los Angeles Housing Indicators." In: First Tuesday Journal, September 7, 2020. Available at: https://journal.firsttuesday.us/los-angeles-housing-indicators-2/29229/

[24] Felt, M. 2007. "Patching the Fabric of the Neighborhood: The Practical Challenges of Infill Housing Development for CDCs." In: Neighbor Works America, p. 2. Available at: https://community-wealth.org/sites/clone.communitywealth.org/files/downloads/paper-felt.pdf.

[25] Inventory of Historic Housing Stock in South Pasadena can be found at: https://www.southpasadenaca.gov/home/showdocument?id=13228

leading low-income households to relocate to suburbs where they are further removed from essential supports and services, such as public transportation and job centers."[26]

For the reasons listed above, the concept of refill parcels as a tool for identifying housing development opportunities is misplaced and should not be promoted as a viable strategy to help South Pasadena meet SCAG's unrealistic RHNA target for the 6th Planning Cycle. South Pasadena lacks available land suitable for urban development or conversion of property to residential use.

Lands Protected from Urban Development under existing Federal or State Programs

- The entire city of South Pasadena was listed as one the National Trust for Historic Preservation's "11 Most Endangered Places in America"
- 38% of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources along with 72 designated and eligible historic districts, each of which are considered a historic resource for purposes of CEQA.
- The City's substantial historic inventory significantly limits land and sites suitable for growth and development.

In 1988, the National Trust for Historic Preservation took the unprecedented step of naming the entire city of South Pasadena as one of its "11 Most Endangered Places in America" because of the ubiquity of its historic resources and the threat posed to it at that time by the proposed 710 Freeway extension. The City remained on that list for an also unprecedented five years[27]. The tenacity of the City's resistance to the freeway lasted more than 35-years and included several lawsuits and federal injunctions staying the extension. The final defeat of the 710 plan in 2019 resulted in the NTHP declaring the Communities of the 710 (Pasadena, South Pasadena, and East LA) one of 12 Preservation Wins, "celebrating a year with wide-ranging victories, from hands-on work that enlivened old buildings, to legal successes that strengthened protection, to creative thinking that re-interpreted, re-imagined, and re-invigorated places telling America's full history."[28]

Including the historic 110 Freeway and the Arroyo Seco, **38% of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources. There are eleven (11) designated historic districts in South Pasadena and 61 others that have been identified as eligible for designation** (please see *Exhibit B: South Pasadena HQTA, Topographic, and Historic Overlay Map*).[29]

In these designated and eligible districts, character counts. Maintaining the character and feeling of the built environment in these neighborhoods is foundational to retaining their integrity as historic places. Failure to consider historic character and integrity when identifying sites suitable for new housing opens the door to the twin threats of demolition and inappropriate development. This possibility is especially likely on properties which are located within these districts but are

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[26] Rose, K. and T. Kỳ-Nam Miller. 2016. "Communities of Opportunity: Pursuing a Housing Policy Agenda to Achieve Equity and Opportunity in the Face of Post-Recession Challenges," Trotter Review: Vol. 23: Issue 1, Article 3. Available at: http://scholarworks.umb.edu/trotter_review/vol23/iss1/3, p. 3 for quote.

[27] https://savingplaces.org/11most-past-listings

[28] https://savingplaces.org/stories/recent-preservation-wins

[29] See *Exhibit B: South Pasadena HQTA, Topographic, and Historic Overlay, map* overlaying the City's historic resources and districts with the 2045 HQTA map that was prepared by SCAG to determine RHNA allocations for South Pasadena, for use in recalculating the city's RHNA allocation.

so-called "non-contributors". Consistency of density, scale, height and massing are absolutely essential to ensuring that new development does not overwhelm existing historic resources and irreparably change the character that gave a district historic significance in the first place. Indeed, even the authors of progressive legislation such as California Senate Bill 50 and California Senate Bill 1120 that sought to increase density in residential neighborhoods recognized as much by carving out exemptions for historic districts in their bills.

Setting is significant for other reasons than just concepts like character and integrity when discussing historic neighborhoods. Location and setting are key components in the enhanced protection afforded them by the California Environmental Quality Act (CEQA). Each of the 72 designated and eligible districts and each of the 2,566 individually listed properties on the City's Inventory of Cultural Resources is considered a historic resource for purposes of CEQA. While this does not preclude further intensification of these properties, it does significantly raise the bar legally, adding time and costs. Proposed developments that would demolish or have significant adverse impacts on a historic resource would require the preparation of an Environmental Impact Report (EIR), adding significant time and cost to any possible entitlement, and thus representing a formidable constraint to the provision of new housing, affordable or otherwise.

South Pasadena respectfully requests that SCAG take into consideration the local input provided in this memorandum as it relates to the prevalence of historic resources and its impact on the City's ability to realistically meet the current RHNA allocation of 2,062 units.

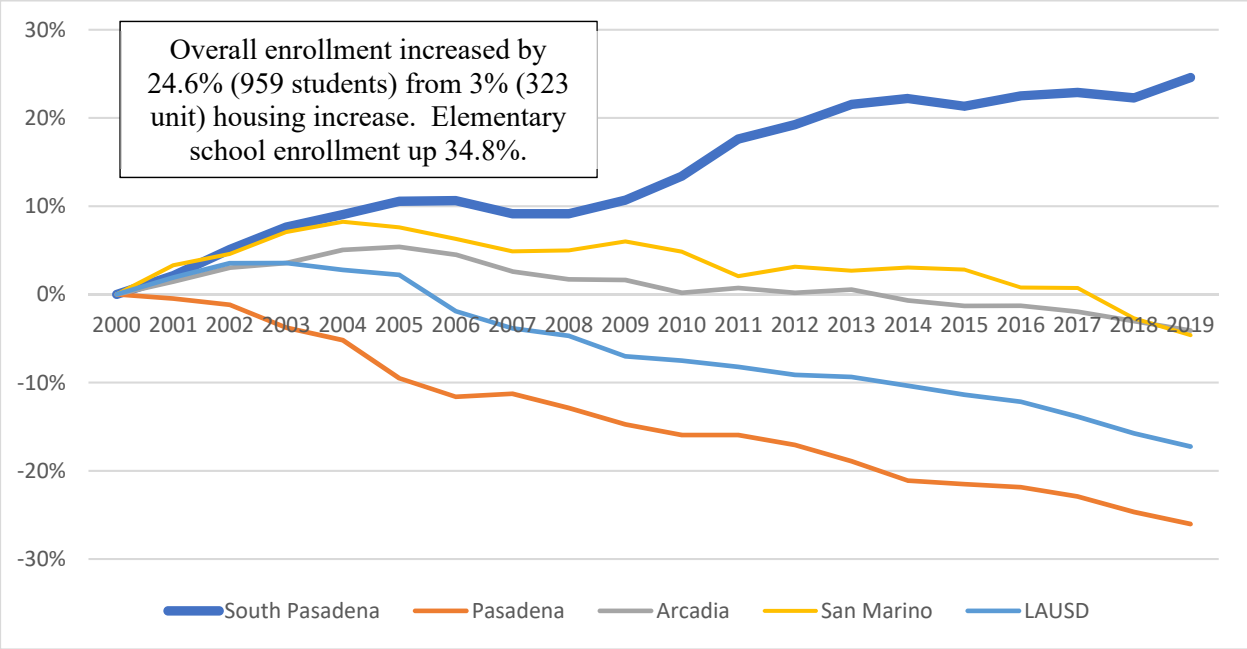
Detrimental Impact on South Pasadena Public Schools

- The South Pasadena Unified School District (SPUSD) attracts a significantly higher proportion of families with children, with 24.6% enrollment increase over the past 20 years on steady population while neighboring school district enrollments have declined.
- From 2000 to 2020, South Pasadena has built 323 housing units (3%) resulting in an increase of 959 students (24.6%).
- SPUSD is currently enrolled at maximum capacity with 20 classrooms already using portable facilities due to lack of buildings to house the students. Students are already eating lunch in shifts due to the lack of school capacity and overcrowding.
- Based on past census population data, housing unit growth data and a recent new development in the city, the construction of 2,062 new housing units could lead to an enrollment increase of at least 58%. The school district does not have the capacity to accommodate this type of growth.
- Adding 2,062 units over an 8-year cycle would be tremendously detrimental to the students, the school and the overall quality of education in South Pasadena.

South Pasadena is unique in its highly sought-after school district. As such, the City has a much higher percentage of residents with young and school aged children. In fact, as noted, 24% of all residents in South Pasadena are under 18 years of age**. From 2000 to 2019, the population of South Pasadena grew by 4.3% while school enrollment in the South Pasadena Unified School District was up 24.6% overall, with elementary school enrollment up 34.8% during this period.** Overall school enrollment outgrew population increase by 5 times. This contrasts to Los Angeles County as a whole during the same period, 2000-2019, during which population has increased 5.5% but population of school-aged children has declined by 19%. South Pasadena is unique even compared to other nearby top 10-rated school districts such as Arcadia, which has

seen a 4% enrollment decline, and San Marino, which has seen a 4.7% enrollment decline. South Pasadena would be uniquely affected by significant growth as housing units translate directly into increased enrollment for this sought-after school district. SPUSD currently enrolls 4,860 students, a number that has grown steadily over the years despite the largely stable city population.

Enrollment Growth of Comparable School Districts Since 2000



Source: https://dq.cde.ca.gov/dataquest

From 2000 to 2020, South Pasadena built 323 housing units per Department of Finance data, a 3% increase in housing units. However, during this same period, enrollment in the school district increased by 959 students (24.6%) which is 3x the rate of housing growth. Extrapolating from this data point, adding 2,062 additional housing units per SCAG's allocation in South Pasadena would increase school enrollment in SPUSD by over 6,103 students, over 100% growth.

Examining a recent housing project's demographics can also be used as a method to project the impact of new housing units on school enrollment in South Pasadena. One local example is a 35-unit condominium completed in South Pasadena in 2016. Of the 35 new residential units added, 3 are still vacant, 25 units are occupied by families with young or school aged children, 4 units are owned by seniors, and 3 units are occupied by families without children (yet). Taking a national average of 1.9 children per family (of the 25 families in this new housing development), leads to an estimate of 48 new students in the South Pasadena schools from 35 residential units, or a ratio of 1.37 students/housing unit added. Applying this to the 2,062 additional housing units proposed for the City, assuming the same mix of unit types, the SPUSD could expect an additional 2,825 students to its existing population of 4,680 students, an increase of 58% in the student population.

Last, local realtor groups have confirmed that at least 80-90% of families who have moved to South Pasadena specifically did so to send their children to the South Pasadena schools. If 80-90% of families who move into the proposed additional 2,062 housing units intend to send their school-aged children to the South Pasadena schools, then at the average of 1.9 children per family, South Pasadena school enrollment could increase by 3,330 new students, an increase of 69% growth in school enrollment.

Elementary school enrollment has increased 34.8% since 2000, and currently the elementary schools use 13 portable classrooms to teach kids in these overflow facilities. The middle school and high school are similarly capacity constrained with 7 portable facilities in use. Looking at Niche.com ratings, **South Pasadena High School's facilities are rated C+, the lowest of nearby cities because of our aged and overly crowded schools.**

Providing three examples of the local housing unit-to-enrollment relationship: 1) the historical enrollment increase of 959 students from a 323 unit increase, (growing at 3x unit growth); 2) the example of the 35-unit condo building potential yield of 48 students (a potential 58% increase), and 3) a survey of realtors indicating 80-90% of families move to South Pasadena specifically for the schools (a potential 69% increase), the Committee argues that **even in the most conservative of the methodologies, SPUSD would see an enrollment increase of at least 58% in order to accommodate 2,062 housing units, which cannot be accommodated due to physical land and facility constraints and limited financial resources.** SPUSD is at maximum capacity, with many classes already being held in portable classrooms because the District does not have the school facilities (land, buildings and other resources) to house all of the existing 4,860 students. **Students are already eating lunch in shifts, giving up on school lunch lines, and eating in the hallways due to overcrowding**. SPUSD does not have the land to accommodate the students/acre ratio that the district prescribes, and any land acquisition within the city to accommodate growth in enrollment would compete with land for housing. It is not tenable to increase capacity to an estimated 7,505 students as would result from an additional 2,062 housing units. The school district does not have the funds or mechanisms to expand classrooms, utilities and facilities within an eight-year time frame. Recent bonds issued by the school district financed upgrades to the aging infrastructure, but not to any expansion to the facilities. To accommodate the inevitable student growth of adding 2,062 housing units would require a significant change to the SPUSD's strategic and master plans, neither of which could be completed in time to accommodate such a surge in enrollment.

South Pasadena schools are operating at capacity in terms of facilities, land, operations and funding. Adding 2,062 new housing units in South Pasadena over the next 8 years would create a surge in enrollment and severely undermine the accessibility of quality education in the City's public-school system. SPUSD does not have the infrastructure or resources to support a 58% growth in student population.

<u>Sewer and Water Infrastructure—Lack of Capacity</u>

Lack of Water Capacity

- With an addition of 2,062 housing units, given all of the City's water needs, the City would have a water supply shortfall of 1,578 acre feet/year (AFY) by 2029.
- South Pasadena does not have the necessary water availability, water rights or supporting infrastructure to support the proposed 2,062 housing units allocated by SCAG.
    - Droughts are reducing the available groundwater pumping capacity in the San Gabriel Main Basin.
    - The City is uncertain about how much water will be available in the future.

Water Capacity. Southern California is and has been reliant on water from sources outside the region. The region will continue to experience severe drought conditions necessitating strict conservation and rationing. During this last drought cycle, the region was required to reduce its water usage by more than 25% in most Southern California areas. The City believes that continued drought conditions exacerbated by global warming will limit water sources available to the City, for which South Pasadena relies on third-parties.

South Pasadena does not have the necessary water supply or supporting infrastructure to support the proposed 2,062 housing units allocated by SCAG. South Pasadena obtains 91% of its water from the Main San Gabriel Basin groundwater. The shortfall is made up in purchased water from the Metropolitan Water District (the "MWD") (8%) and Pasadena Water and Power (1%). The Main San Gabriel Basin Watermaster regulates the amount of groundwater South Pasadena can legally pump which is currently 1.5% of the "safe yield for all groundwater" from the Main Basin. This number varies annually based on the amount of groundwater available.

South Pasadena's average use of potatble water since 1990 is 3,411 acre feet of water annually. Due to the drought conditions in California, which have affected the groundwater table and considerable conservation efforts, South Pasadena's groundwater pumping allocation dropped to 2,707 acre feet/year, representing a 20% decrease from annual usage. At the same time, climate change and continued droughts are reducing the available groundwater in the San Gabriel Main Basin. The City is uncertain about how much water will be available to purchase in the future.

To accommodate an increase in housing units of 2,062, the number allocated to South Pasadena, the City would need an additional 335 acre feet/year of water (an increase of 14%).[30] The City believes that it will not have access to that additional water needed to accommodate 2,062 new housing units. Arguably, even if such amount were available to the City to buy, it would be at a cost that would further burden the City's current deficit budget. Theoretically, these additional costs could be passed-through to residents, increasing further the already high cost of housing, directly antithetical to the goals in California's quest for affordable housing.

Moreover, even if additional water were to become available, South Pasadena does not have the water infrastructure (i.e., storage, pumping capacity, etc.) to support the additional housing units. The City's water system infrastructure has no additional existing water supply connection or potential future water supply connection other than the MWD connection. Last, with an addition of 2,062 housing units, given all of the City's water needs, the City would have a water supply shortfall of 1,578 AFY by 2029.[31]

Sewer Capacity. The City's current sewer infrastructure is aging. The volume of waste and the effluence needed to move sewage out of the City is already strained. Wastewater flow would increase 14% by adding an additional 2,062 units in the City as proposed by SCAG. The City's assessment of the sewer capacity is ongoing, but the City does not believe there is sufficient existing infrastructure to support the addition of the draft RHNA allocation of 2,062 housing units. The capacity assessment will be completed within the next year, with preliminary results available

[30] Carollo Report, "FHNA Housing Requirement Impact to South Pasadena's Water & Wasterwater Services", October 13, 2020
[31] Id.

within the next few months. The assessment will include local capacity as well as the impact of South Pasadena's and other jursidictions' systems on regional capacity.

IV. Changed Circumstances

- COVID-19 has changed everything; including an increase in telework and the elimination of commutes. This fundamentally changes the heavy reliance of accessibility to jobs and HQTA as basis of RHNA allocation. While COVID-19 may pass with time, the lifestyle and workplace shifts will remain.
- Governor Newsom signed an executive order banning the sale of carbon-emission vehicles by 2035; the rapid adoption of electric vehicles in California, the fact that only 5% of South Pasadena residents use public transportation for their commutes and the changes to workplaces as a result of COVID-19, should facilitate the reconsideration of the use of HQTA as a predominant factor to allocate housing units.

The onslaught of the COVID-19 pandemic has changed everything in our city, state, nation and the world. Not only is COVID-19 a serious health challenge, but it has and continues to impact the way we work and live. The workforce is adapting to telework, and many companies are adopting work-from-home as the future of the workplace, eliminating commutes and the reliance of transportation to and from work. One critical impact of this evolving circumstance for the RHNA allocation is the reliance on HQTAs as a factor in the allocation methodology. South Pasadena thus challenges the weight of HQTA in the RHNA methodology. Moreover, as noted earlier, SCAG did not consider in evaluating the designated HQTA in South Pasadena that 52% of the areas so designated as HQTA include unwalkable areas, historic protections or recreational open space which have very limited development potential.

Given its small, 3.44 square mile size, South Pasadena already has a housing density of 3,199 units/square mile, the third-highest of our comparative cities in our region. In the wake of COVID-19, local factors need to be examined before mandating such increased growth of 2,062 units within eight years so as not to strain or damage the fundamental systems (school system, water and sewer infrastructure) that are supporting the community.

South Pasadena urges SCAG to reconsider its RHNA methodology and to use local factors for determining a jurisdiction's RHNA for the 6th cycle. While South Pasadena did not previously respond to the Local Planning Factor Survey, the City has included the survey as part of its appeal. The City's oversight regarding the Local Planning Factor Survey in 2019 resulted from tremendous turnover in the City's government and staffing over the past 3 years, including three Planning Directors within the past three years, and an entirely new planning staff within the last two years. Failure to consider local planning factors at this time will result in the requirements of unrealistic and unattainable housing goals. The City respectfully requests that SCAG integrate the use of local planning factors into the RHNA allocation methodology and urges SCAG to review the City's local factor analysis herein.

The City has and continues to take proactive steps to help abate the housing crisis. For the current RHNA cycle, the City has approved 214 housing units to date, i.e., 240% of its 63-unit allocation, including 122 units in 2020 alone, 10 of which are low-income units.

In addition, the City is currently developing a draft General Plan Update and Downtown Specific Plan (GP/DTSP) in coordination with the 6th cycle Housing Element, including amending

the scope of the EIR for the GP/DTSP to accommodate an increased RHNA allocation beyond the 589 housing unit previously assumed in the City's draft GP/DTSP. The City is exploring strategies and policies to encourage development of housing near transit along Fair Oaks Avenue and near the Metro Gold Line Station, while preserving historic resources. The City is also in the process of adopting an Inclusionary Housing Ordinance to produce more affordable housing and is updating the City's Accessory Dwelling Unit (ADU) Ordinance to incentivize production and affordability of ADUs. As demonstrated by these efforts, South Pasadena is striving to increase affordable housing in the City.

However, given local factors of historic preservation, topography, age and stage of the City's development and longstanding community membership that limit land availability; and the capacity of the city's school system and infrastructure, the City's draft RHNA allocation of 2,062 additional units is not attainable. For these reasons, the City respectfully requests that SCAG reduce the City's RHNA allocation to a maximum of 1,216 units to provide a more attainable goal.

Conclusion

South Pasadena respectfully appeals the allocation of 2,062 housing units for the 6th RHNA cycle. Land for the development of 2,062 units is just not available in the City. The Refill Map proposed to define parcels available for development is flawed in both the methodology used to identify such parcels, inaccuracies in the County Assessor's records and faulty assumptions regarding property owners' desires to vacate or further develop their properties. Further, 38% of the properties in South Pasadena are designated as historic which limit their development potential. In addition, the City's already strained and aging sewer and water infrastructure will be further stressed by an addition of 2,062 additional housing units; these systems have been stressed in recent years, both of which have been or are in the process of remediation at significant cost to the City and its residents. Adding 2,062 housing units will guarantee additional problems, causing environmental issues, shortages and system constraints. The South Pasadena Unified School District lacks the land, facilities and financial resources to educate the estimated 58% increase in students that would enroll in the schools as a result of the 2,062 additional housing units, further stressing this vital community institution. These local factors, as more fully set forth herein, must be considered in allocating housing units to South Pasadena for the 6th RHNA cycle.

In addition, South Pasadena challenges the methodology used in identifying HQTAs for housing allocation due to its failure to consider local factors. Again, simply identifying a 0.5-mile radius around transit areas does not guarantee that the area identified is available or suitable for housing development. In fact, of the HQTA area identified in South Pasadena, only 48% is available for development given that the areas included in such 0.5 mile radius contain historic districts limited in their development, unwalkable areas on steeply sloped properties, open space and school properties.

Moreover, the City challenges the State of California's allocation of total housing units to the Southern California region. The City believes that the total allocated to this region is double the number of units that should have been allocated, with the calculation error based on faulty assumptions as discussed herein. The City of South Pasadena offers to join SCAG's efforts to appeal the State's allocation to lower the burden throughout the region.

Last, South Pasadena is a thriving, ethnically and socio-economically diverse city, consistent with the housing goals set forth in California Government Code Section 65584 to

affirmatively further fair housing. The City has not only been working to exceed its housing goals for the 5th RHNA cycle, it is actively pursuing an Inclusionary Housing Ordinance, zoning changes to liberalize and encourage the building of Accessory Dwelling Units in the City and seeking to increase allowable density and other building requirements in its draft General Plan and Downtown Specific Plan. The City is committed to help the region and the state ease the current housing situation in the State of California, but for the reasons stated above, it simply cannot plan for an additional 2,062 housing units over the next 8 years.

Applying South Pasadena's local factors, as outlined above and more fully described in the attached documents, to the SCAG 6th cycle methodology, South Pasadena should be allocated a **maximum of 1,216 housing units.** That said, the **City does not believe its public-school system can accommodate even half of these new units over the next eight years as even a 323 (3%) unit growth has added 959 (24.6%) student enrollment over the last 20 years.**

List of Exhibits:

- Exhibit A: SCAG HQTA Designated Areas
- Exhibit B: South Pasadena HQTA, Topographic, and Historic Overlay
- Exhibit C: SCAG Refill Map
- Exhibit D: SCAG Refill Map and Historic Overlay

Exhibit A: SCAG HQTA Designated Areas

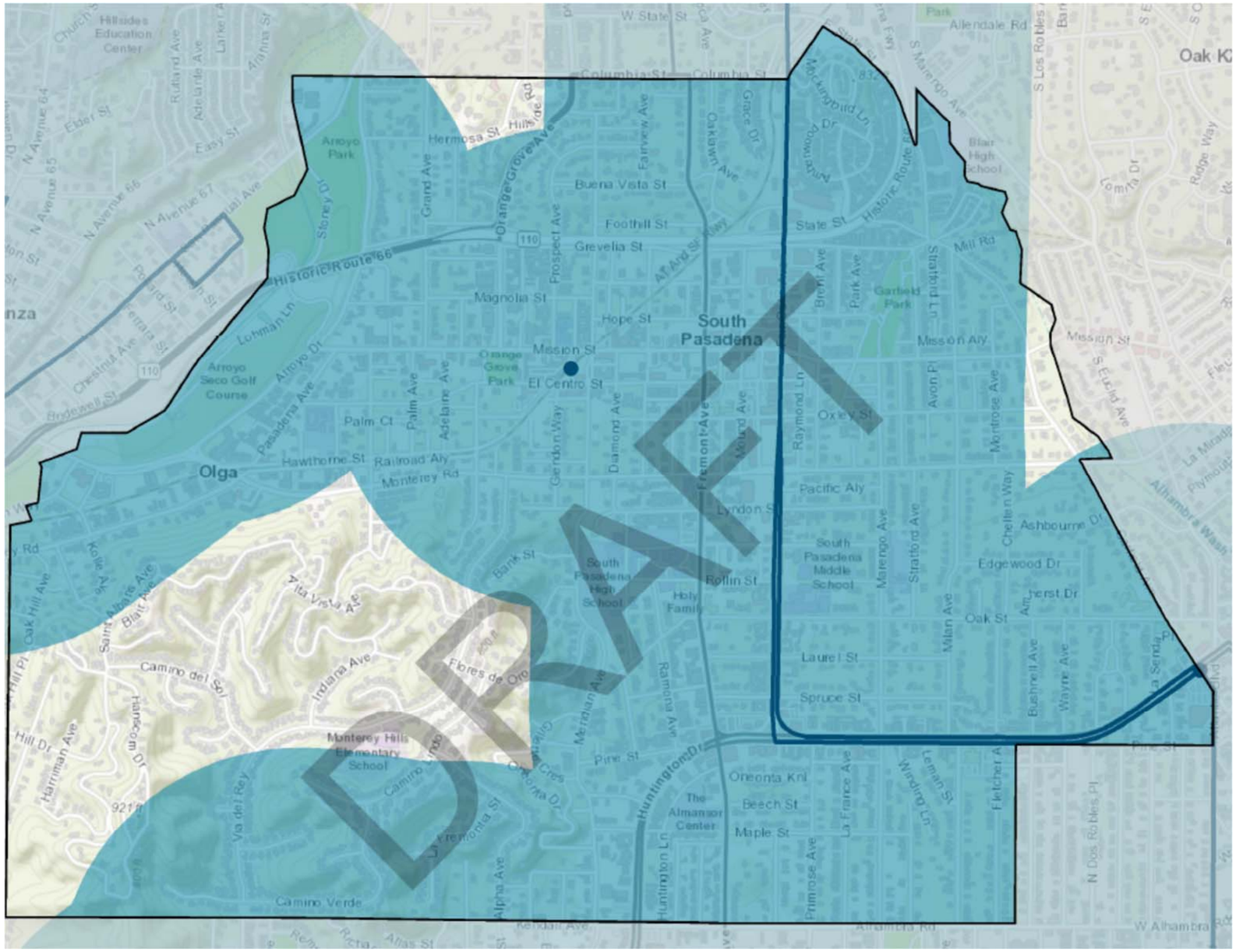


Exhibit B: South Pasadena HQTA, Topographic, and Historic Overlay

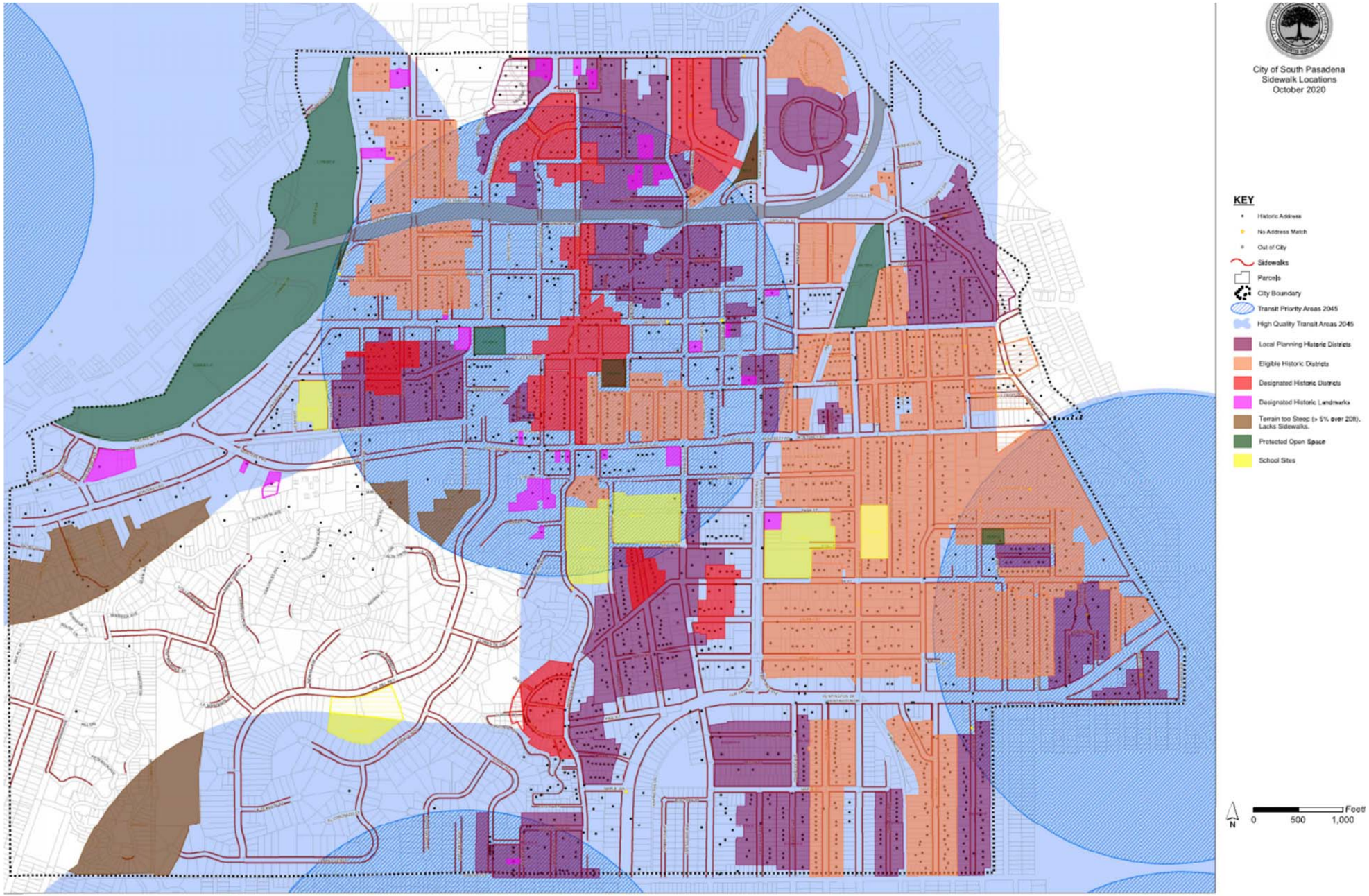


Exhibit C: SCAG Refill Map

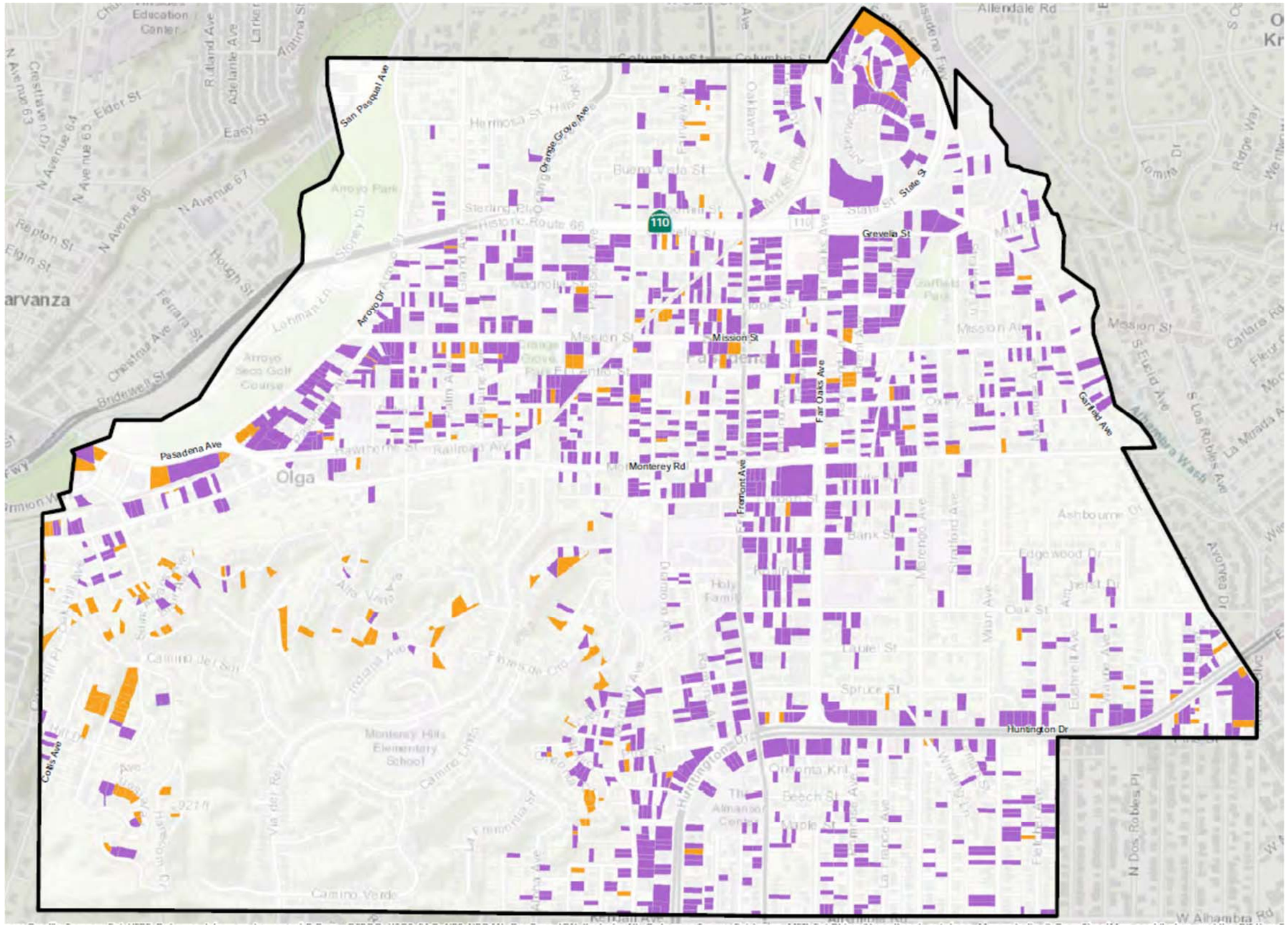
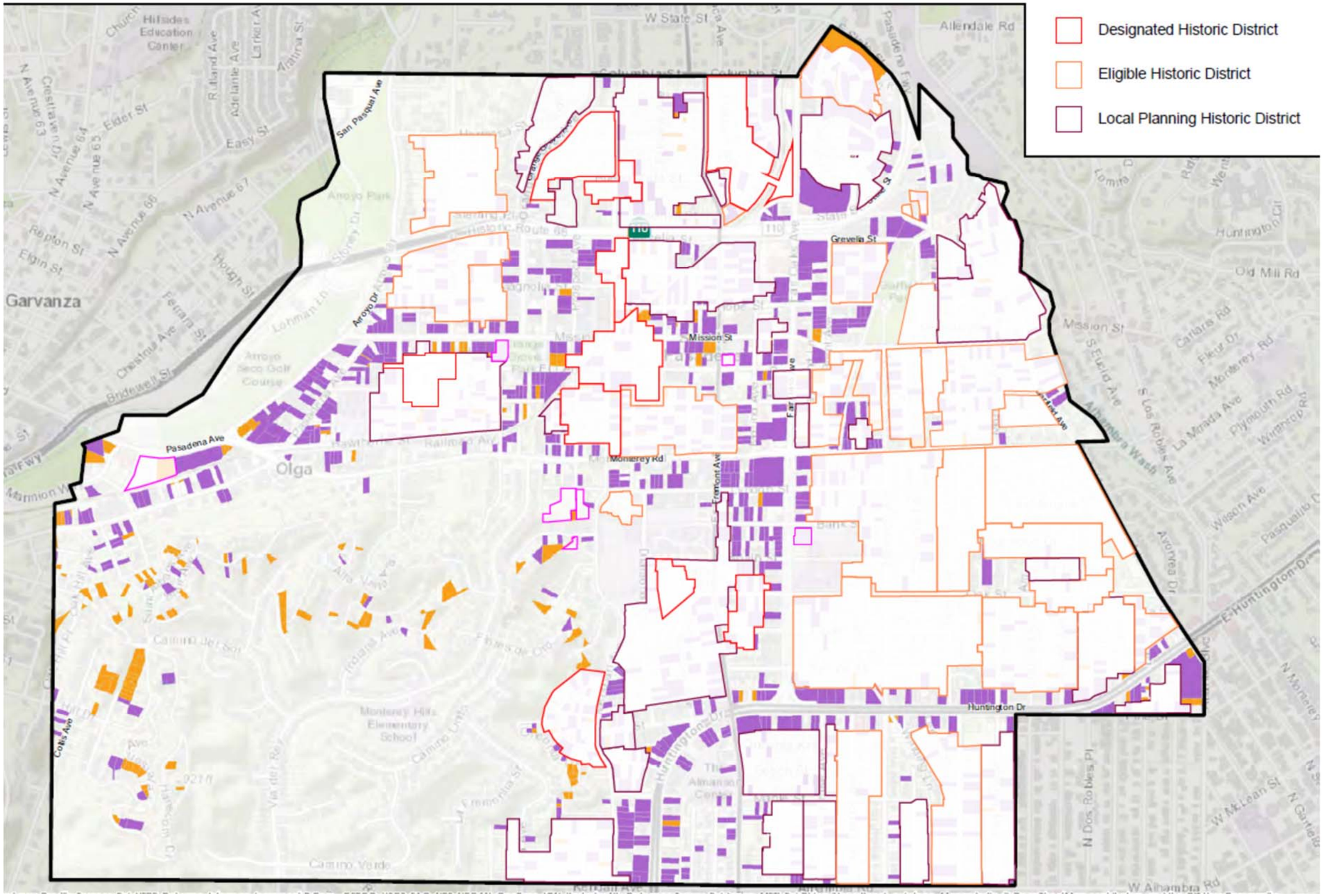


Exhibit D: SCAG Refill Map and Historic Overlay



ATTACHMENT 3
Local Planning Factor Survey

Jurisdiction	**South Pasadena**
County	**Los Angeles**
Planning Factor	**Impact on Jurisdiction**
Existing and projected jobs and housing relationship, particularly low-wage jobs and affordable housing	South Pasadena is primarily a suburban residential community, and therefore, has a relatively small employment base. It is not anticipated that employment growth within the City will be a major stimulus to housing demand.
Lack of capacity for sewer or water service due to decisions made outside of the jurisdiction's control	Existing City services including water, sewer and storm, drain facilities are available to serve the level of development projected in the current General Plan. However, the City does not have sufficient water supply or infrastructure to support the proposed 2, 062 housing units allocated by SCAG. The City obtains 91% of its water from the Main San Gabriel Basin, 8% from the Metropolitan Water District, and 1% from Pasadena Water and Power. While the City could purchase more water from other agencies, there is a finite supply and available budget. Similarly, the City's sewer capacity is already strained and the existing infrastructure is aging. Requiring the City to accommodate an infeasible amount of housing units within the next 8 years will result in significant environmental impacts.
Availability of land suitable for urban development	The City is essentially built out with minimal vacant land available for future development. 62% of the City's existing land use is residential and further limits the supply of developable parcels and therefore increases the cost of providing affordable housing. The lack of readily developable vacant land, combined with a strong housing market, means that land in the City is expensive to acquire for new development. Other factors influencing land prices in the City include the cost associated with the preservation of historic resources, cost of relocating existing uses, the assembly of multiple parcels under different ownership, and environmental remediation costs when developing in commercial areas. In 1988, the National Trust for Historic Preservation named the entire city of South Pasadena as one of its "11 Most Endangered Places in America" because of the ubiquity of its historic resources. 38% of all properties in the City are listed on the South Pasadena Inventory of Cultural Resources; in addition to 11 designated historic districts and 61 eligible historic districts. While this does not preclude properties from further intensification, they do increase the time and cost of development and create a significant constraint on the City's ability to provide new housing.
Lands protected from development under Federal or State programs	There are no parcels in the City protected from development under Federal or State programs. However, 38% of the residential properties in the City are designated or eligible for historic designation which makes it more difficult to demolish/rehabilitate, restricts the allowable density, lengthens the approval process, and raises the cost of development. Approximately 37% of all housing units in the City were built in 1939 or earlier; and over 94% of the housing stock is over 30 years old and will likely have rehabilitation needs. The City of South Pasadena has worked hard to preserve its historic character. There are 2,566 properties that are both individually eligible resources and contributors to historic districts. This includes the recently identified properties from the mid-century modern era. There are 11 designated Historic Districts and 61 Potential Historic Districts.
County policies to preserve agricultural land	There is no agricultural land in the City preserved by County policies.

Jurisdiction	**South Pasadena**
County	**Los Angeles**
Planning Factor	**Impact on Jurisdiction**
Distribution of household growth assumed for regional transportation planning and opportunities to maximize use of public transportation	In developing the City's General Plan Update and Downtown Specific Plan, the City is exploring strategies and policies to encourage development near the Metro Gold Line Station. Mission Street is the City's historic 'Main Street,' with many small storefront businesses oriented around the Metro Gold Line Station promoting walkability. This limited commercial district plays a key role in the City's historic character and financial sustainability. With removal of the SR-710 North Project, the City would like to restore its historic character by concentrating traffic along the commercial corridor on Fair Oaks Avenue with the SR-710 Mobility Improvement Projects.
Agreements between a county and cities to direct growth to incorporated areas of the county	There is no agreement between the County and the City to direct growth to incorporated areas of the County.
Loss of low income units through contract expirations	N/A
[NEW] Percentage of households that pay more than 30% and more than 50% of their income on rent	According to the 2018 American Community Survey, 55.4% of South Pasadena households pay more than 30% of their monthly income towards housing costs. Approximately 19% pay more than 50% of their monthly income towards housing costs.
[NEW] Rate of overcrowding	According to the most recently available data from the American Community Survey (2018), 8.2% of total households in South Pasadena are considered overcrowded (more than 1 person per room).
Farmworker housing needs	N/A
Housing needs generated by the presence of a university campus within the jurisdiction	N/A
[NEW] Loss of units during a declared state of emergency that have yet to rebuilt at the time of this survey	The City has not recently lost any housing units during a declared state of emergency
[NEW] The region's greenhouse gas emission targets provided by the California Air Resources Board	The City is currently working on adopting its first Climate Action Plan. The long-range plan outlines specific strategies for how it will reduce its greenhouse gas emissions (GHG) in accordance with statewide targets. The CAP intends to facilitate the reduction of GHG emissions throughout South Pasadena through implementation of 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy: Towards a Sustainable Future (RTP/SCS) in a way that is practical, efficient, and beneficial to the community and enhances South Pasadena's desirable characteristics and qualities. The foundation for developing emission reduction and climate adaptation measures will be based on the City's existing work as detailed in the extensive plans and programs comprising the City's sustainability goals and vulnerability analysis. The City also adopted its Vehicle Miles Traveled threshold methodology. The CAP will be incorporated into the mobility section of the General Plan Update and Downtown Specific Plan.

Jurisdiction	**South Pasadena**
County	**Los Angeles**
Planning Factor	**Impact on Jurisdiction**
Other factors	Historic Preservation: Approximately 37% of all housing units in the City were built in 1939 or earlier; and over 94% of the housing stock is over 30 years old and will likely have rehabilitation needs. The City of South Pasadena has worked hard to preserve its historic character. There are 2,566 properties that are both individually eligible resources and contributors to historic districts. This includes the recently identified properties from the mid-century modern era. There are 11 designated Historic Districts and 61 Potential Historic Districts. Approximately 42% of the HQTA includes properties that are historic, within a historic district, or eligible for historic status. Topographical Challenges: 4% of the HQTA is located within areas that do not have sidealks or have grades in excess of five percent. The development of multifamily housing in hillside areas is constrained due to steep slopes, substandard lots, unimproved roads, and geological and seismic related issues. Development of the hillside area is costly due to the cost of grading, the public services that must be provided to these areas, and in some cases, existing substandard conditions of existing infrastructure available to serve the site. Some of these higher costs are attributable to provision of water for both consumption and fire prevention and compliance with strict construction standards. In addition, public and private access to hillside sites is expensive to construct and maintain. School Infrastructure Capacity: Building out new school capacity is a long and costly process. Currently, South Pasadena Unified School District is in the middle of a $98 million bond program (Measure SP) to repair and upgrade existing facilities and replace the approximately 17 temporary classrooms with permanent structures. The portable classrooms were installed periodically over the years in order to accommodate increased enrollment that went beyond the physical building capacity. Additional ability to raise funds through another construction bond could be impacted by the overall bonding capacity available. Generally speaking, building additional school capacity (beyond the current projects already underway) would likely require 6+ years.