



City of Whittier

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December 1, 2020

Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Re: The City of Whittier's Regional Housing Needs Assessment (RHNA) for the 6th Cycle.

Dear SCAG Officials:

The city of Whittier ("City") is deeply concerned its housing allocation of 3,431 units from the State Department of Housing and Community Development ("HCD") and the Southern California Association of Government's ("SCAG") unit distribution methodology will fundamentally abridge the City's ability to develop effective land-use policies that are appropriate for managing the community's actual needs in addition to protecting its health, safety, and welfare. The tentative allocation of 3,431 units also forces unplanned and unnecessary residential densification of the community as an unfunded mandate without any regional or State support for its implementation.

Whittier is one of 27 member cities and the County of Los Angeles that comprise the Gateway Cities Council of Governments ("Gateway Cities COG"). The Gateway Cities COG worked together to formulate a ten-page letter with graphical and statistical attachments that was sent to RHNA Subcommittee member, Peggy Huang on September 5, 2019. Whittier shares the concerns raised in the letter. In addition, the City would like your consideration of the following facts concerning Whittier as a basis for reducing its draft housing unit allocation total.

- **Unfair and Unjustified Low-Income and Very-Low Income RHNA allocation.** Based on the draft RHNA allocation of 3,431 units for the City, 45.4% (or 1,558 units) must be planned for low-income and very low-income households. That represents 1.77 times more units than Whittier's entire RHNA allocation of 878 units for the 5th Housing Cycle (2014-2021). There is simply no logic to justify SCAG's extreme spike in holding Whittier accountable to zone for such a quality of low-income and very-low income housing for the next housing cycle.

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- **Whittier Has Already Up-zoned Considerable Swaths of the City.** In the past 15 years, the City has addressed housing supply and affordability despite the City's largely built-out nature. The City increased zoning intensities through adoption of three "smart growth" specific plans to allow for densification in the Uptown, Whittier Boulevard, and Lincoln Specific Plans to accommodate all types of housing needs. Combined, the City has entitled over 1,000 new dwelling units in the last five years and approved specific plan development capacity of at least 1,000 more units. Hence, Whittier has demonstrated a concerted effort to provide housing for all segments of the community. However, this fact does not appear to have been fully considered as part of Whittier's draft housing unit allocation. In fact, City staff cannot find any documentation to demonstrate SCAG's consideration of these specific plans.
- **Remaining Areas of the City Are Largely Single-Family Residential.** Whittier has approximately 22,590 parcels in its city limits. A total of 18,386 parcels or 81.4% of the City-wide total are used for single-family residential. Since the owners of these residential parcels purchased their respective properties in a suburban neighborhood (tract) setting, they are highly unlikely to drive significant land-use changes resulting in densification of their properties. The balance of 4,204 parcels are devoted to multi-family residential, commercial, industrial, open space, institutional, mixed-use, and other land-uses. In fact, many of these parcels have previously been up-zoned to accommodate increased housing density.
- **Whittier Has Large Regional Open Space Habitat Preserves and Recreational Areas.** The northerly reaches of the City and much of the adjacent Los Angeles County Unincorporated areas were set-aside as permanent open space as mitigation for the habitat destruction caused by the massive Puente Hills Landfill. Closed since 2013, the landfill, when operating, was recognized as the largest in the United States. As such, the County is seeking long-term re-use of the land for recreational and open space purposes. There is no consideration of housing on the site as it is intended to be devoted to improving the existing region's quality of life for the existing and future residents who will live in the area.
- **The City of Whittier Will Have an Oversupply of Low-Income and Very Low-Income Sites.** Although Whittier has up-zoned and entitled many housing units over the past five years, a housing developer must make the financial decision of how to invest their capital and determine the type of new housing stock that meets their goal of maximizing their economic return for new housing development. Whittier should not be penalized by supplying exorbitant low-income and very-low income sites that developers have been unwilling to develop in the community based on past and future trends. Therefore, SCAG's draft housing allocations for Whittier do not adequately consider actual market demand and development trends that are unique to the City and the people moving here. While Whittier is committed to providing sufficient housing to meet a cross-section of actual community needs, it is unfair and inappropriate to force the City to provide a

dedicated oversupply of housing opportunity sites geared toward low-income and very-low income housing.

- **Residents of Whittier are Concerned with Impact of New Development.** During recent specific plan up-zoning efforts, it has become apparent that much of Whittier's 50 to 130-year old infrastructure does not have sufficient carrying capacity to accommodate extensive growth. This applies to all City services including (but not limited to) water, sewer, roadway, active recreation, open space, and emergency services. During the adoption of the City's specific plans, the City prudently completed programmatic environmental impact reports (EIRs) under the California Environmental Quality Act. These EIRs identified the lack of infrastructure capacity and required upgrading City infrastructure and services to accommodate the approved growth. Since the City's budget forecast shows significant deficits for the upcoming budgetary years due to rapidly increasing City costs that cannot be offset by incoming revenue sources, it will significantly limit Whittier's ability to pay for fair-share infrastructure and service improvements necessary to accommodate the forecasted RHNA unit allocations for the next housing cycle. Consequently, it will diminish the City's quality of life.
- **Funding to Build Low-Income and Very Low-Income Housing is Woefully inadequate.** Affordable housing typically requires government subsidies that range from \$50,000 to \$250,000 per housing unit. Under the draft housing allocations for Whittier, the City is tasked with planning for the development of 1,558 low-income and very low-income units. When considering the anticipated subsidies to development 1,558 low-income and very low-income units, it would require a potential government subsidy ranging from \$77,900,000 to \$389,500,000! These staggering funding requirements are simply not available to Whittier. Therefore, the City's draft allocation of 1,558 low-income and very low-income units is not only unfair, it is unrealistic and not rooted in pragmatic public policy.
- **Existing Public Infrastructure and Water Supply**

Much of the existing infrastructure in the City is between 50 to 130-years old. Improvements and upgrades to the City's existing systems will be required throughout implementation of the next eight-year housing cycle as 3,431 additional units will result in a significant demand on Whittier's existing water and sewer systems. The City expects the cost of such improvements will serve as a significant deterrent to housing developers who are not able to bear the cost of infrastructure improvements in addition to land and construction costs.

It should also be pointed out that housing sites that would help accommodate Whittier's housing allocation of 3,431 units are generally in portions of the City served by a private water purveyor. Groundwater in these areas are adjudicated and water purveyors are allocated rights on an annual basis. The private water

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company would need to acquire in excess of 1,000-acre feet of new water annually on the open market, where water rights are not guaranteed, and costs can exceed \$1,200 per acre foot. The City has no control over a private water purveyor's capacity to serve new residential units. Likewise, the Los Angeles County Sanitation District provides wastewater sanitation collection, conveyance, and treatment services. They have previously denied developments in Whittier due to the lack of capacity in their conveyance systems. Therefore, the ability to facilitate the development of 3,431 units in the City is likely to be highly problematic as the City does not have total control of water services in the community to help plan and build 3,431 new units during the next housing cycle. Based on this context alone, Whittier's draft RHNA allocation is an unreasonable and unfair burden being placed on the City.

- **SB166**

The intent of SB 166 is to ensure that properties identified for housing development are utilized to their full capacity throughout the housing cycle. The inadvertent concern is that this may slow the development of housing units in the effort to maximize the full capacity of property available for potential development. Despite seeming counterintuitive, not all developers are interested in maximizing the number of units on a property. Instead, developers build housing products that produce the largest financial return. Furthermore, developers must match their product to consumer preferences which include various factors such as number of levels, recreational amenities, open space, landscaping, and parking. Developers must strike the perfect financial balance for a project to move forward. This includes infrastructure improvement costs that can result in the City being required to deny a potential project if there are no other viable properties compliant with AB 1397 to supplement the remaining potential number of housing units from an underdeveloped site.

Since development in Whittier began more than 130 years ago, the City is virtually built-out with little developable vacant land outside of its designated open space areas that are dedicated to accommodating existing and future residents. This fact represents a substantial constraint not acknowledged in the draft SCAG RHNA allocation and methodology. While the City has made significant efforts through its specific plans to densify existing corridors and districts, the majority of Whittier's remaining single-family residential neighborhoods cannot accommodate similar densification. Furthermore, the hills north of Whittier contain regional open space, sensitive habitat, and wildlife areas that must be preserved in perpetuity. There are also significant infrastructure and water service constraints that impact Whittier's ability to produce significantly more housing. Although these facts may not be desirable for SCAG's housing allocation purposes, they must be pragmatically accounted for and mitigated by reducing Whittier's share of housing units contained in SCAG's 6th Cycle Draft RHNA allocation and methodology. The final RHNA allocation and methodology must be fair and equitable while reflecting the capacity for reasonable housing unit construction.

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Should you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffery S. Adams

Director of Community Development

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