

Comment Letters Received
for
CEHD Agenda Item 2
and
Regional Council Agenda Item 2

Regional Housing

From: Barbara Broide [REDACTED]
Sent: Wednesday, September 4, 2019 8:11 AM
To: Regional Housing
Subject: Comment Letter: 6th Cycle Regional Housing Needs Assessment (RHNA)

Dear Southern California Association of Governments Decision Makers,

I appreciate having the opportunity to participate in the discussion surrounding the establishment of the methodology for determining the 6th Cycle RHNA for our region as well as to provide comment on the proposed housing goals. Thank you for reaching out to the public.

I fully understand the need to incentivize the creation of new housing units in California --and especially for affordable and workforce housing. In Los Angeles, we have seen the newly created Transit Oriented Communities program (TOC) provide significant "bonus" incentives to developers which is fueling a construction boom in the area. However, all is not well as we survey the types of housing being built. In Downtown Los Angeles and in areas across the City we are seeing the construction of luxury and higher-end market rate housing. Small numbers of low income units are provided with the TOC projects, but the overwhelming numbers of units created are neither workforce nor affordable units. We see a bare minimum of low income units in exchange for privileges that are out of place and insensitively designed. (And communities have no opportunity to participate in conversations that would improve the projects for their neighbors and future residents because the program grants significant entitlements "by right." Even the small lot subdivision program established by Los Angeles has been hijacked by profit-seeking developers who often demolish affordable housing to build four small-lot projects selling for many times what the property was purchased for. And, when new housing is priced high, its very presence ends up increasing the overall rents and land values in the area. Thus, a vicious cycle ensues of accelerating housing costs. Those familiar with land use zoning in Los Angeles know that there is ample land zoned for multi-family housing to meet current and future (Cycle 6) projected needs. It is just that the builders would rather build their projects where profits can be maximized for investors. Instead of hoping for a few low income units after having provided significant bonus densities to "for profit" builders, it is time to focus on creating more specific incentives and financing tools for non-profit housing developers who have a history of providing much-needed low income and affordable housing. There are solutions available other than allowing developers to shape the future of our cities. As you likely can surmise, I am opposed to Sacramento's attempts to take away local city responsibility for zoning/land use decisions.

I trust that SCAG will work with our local cities to deliver realistic sustainable housing goals while working to create financing and other needed incentives for true affordable housing development. As you look at possible housing goals, it is important to remember that in the past these goals were sometimes used as a basis for cities to receive targeted funding (state grants). As a result, 5th Cycle goals in some cases may have been inflated for the purpose of obtaining such funds. Using inflated figures as a basis for the 6th Cycle would be unwise. For the 6th Cycle, I would like to make the following suggestions:

- **Please ratify SCAG's original RHNA goal of 430,000 units by 2029 and reject the State HCD's greatly-inflated 1.3 million target**

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. It appears that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. In short:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California's demographics and housing formations are vastly different than New York's.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. It is an important study: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD's own forecast) indicate that California's additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

- **With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations**

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- **Increase targets for low and moderate-income housing, reduce luxury housing targets**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is greatest for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for "above moderate income" housing, at around 45% of the total. This figure is too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

In closing, I would like to add one additional related topic of discussion. As a result of the two voter measures that provides significant funding for the construction of new public transit routes, there are great hopes that more and more Angelenos and those that live in proximity to Metrolink and other transit providers will rely on public transportation for their commuting needs as the system matures. Current land use policy and proposed legislation provides significant density bonuses for projects constructed in proximity to transit. Those projects enjoy relaxation of rules

related to required open space, density, setbacks and parking while being entitled to seek added incentives. While those residents are assumed to be using transit, no one knows the behavior of those who live in transit-oriented or transit-adjacent housing in Southern California. (Data based on other cities may prove to be entirely irrelevant.) In order to be able to plan effectively for successfully implemented growth, each city needs to have data which reflects the true experience of those living in their transit-related developments. Could SCAG work with the cities to define language for a reporting requirement to be placed on all such projects to allow for the gathering of data from property owners/management. The reporting should include the numbers of units in a property, the number of parking spaces, the number of parking spaces used by tenants (bundled or unbundled), the number of bicycle parking spaces, the number of bike spaces used, etc. Information gathered from residents of these buildings that seeks to determine the level of transit use, whether monthly passes are used, source of passes (employer, housing source), if transit pass was purchased at discount or individually bicycle or vehicle ownership, etc. We need to understand how Southern Californians behave when they have the option to live near transit.

As government seeks to provide incentives to build housing near transit, it is important to remember that if all the land near transit is used for housing, it will become harder and harder for those living near transit to access their jobs using transit. Community planning is much more complex than setting goals and creating benefits or penalties for cities. In truth, cities do not build housing. Developers build housing and do so in locations where they can maximize their profits. If government wishes to incentivize the construction of affordable and workplace housing then it will be necessary to develop financing tools for use by those builders with a commitment (and hopefully a track record) to build such projects. There are proven non-profit developers who can meet the challenge and who will respect the fabric of our communities in their work to provide much needed housing. Working with them to address the impediments they face will benefit us all.

Sincerely,

Barbara Broide

Los Angeles, CA 90025

Regional Housing

From: Brad Pennington [REDACTED]
Sent: Wednesday, September 4, 2019 12:57 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

The future is in cities. The economic reality is that our cities must be allowed grow if we are going to have a relevant future. In order to do that, we must work through historical artifacts like zoning and land use which artificially constrain the ability for our cities to grow, change, and remain dynamic centers of power and influence into the future.

Sadly, many many people in our society cannot understand basic economic principles like supply and demand. They think that since new apartment buildings charge high rent, that they will do nothing to remedy housing shortages. The lack of foresight and economic understanding is tragic. If we only built market rate housing, the housing shortage would eventually correct itself through the simply mechanism of supply and demand. Let the developers take the risk of overbuilding and enable them to fix the situation. If commercial corridors were upzoned to allow greater multifamily density, the Southern California region would see and huge boom in apartment and condo construction. Over the next decade, that boom would eventually result in something very few people living in Southern California have ever seen, oversupply. While difficult to imagine, we know that developers will push further than prudent and will build more housing than even our great economy can use. This will result in rent decreases, investment in units to make them more appealing, and OPPORTUNITY for the people of this region to live in safety and comfort without paying rents high enough to ruin them economically.

It is shocking to me that this effort to fix our housing crisis has taken this long to generate legitimate solutions like increasing supply at a scale large enough to matter. I strongly endorse sound housing policy and increasing the supply of units by at least 1.3 million sounds like a good start.

PS-I have no connection to any apartment or condo developers. I do have a connection to Los Angeles and its people. Its time we stop squeezing the life out of people who desperately want to be a part of the economic success that only happens in cities.

Regards,

Brad Pennington

Regional Housing

From: [REDACTED]
Sent: Wednesday, September 4, 2019 4:45 AM
To: Regional Housing
Cc: [REDACTED]
Subject: 6th Cycle Regional Housing Needs Assessment urgent

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination**

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Of the four income brackets in your current methodology proposals, the largest target is set for "above moderate income" housing, at around 45% of the total. This figure is way too high. Please consider

reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Carol A. Watkins

Los Angeles, CA 90064

From: [REDACTED] on behalf of Christopher Palencia
Sent: Sunday, September 1, 2019 10:44 PM
To: Regional Housing
Subject: Input on Regional Housing Needs Assessment (RHNA) Methodology

Dear Southern California Association of Governments,

I am writing to urge the Regional Council to reject the use of local inputs for the allocation of regional housing need, and instead, ask SCAG staff to propose an allocation formula based on objective measures that align with the stated priorities of Housing Element Law.

Using local inputs as a basis for RHNA works directly against environmental and social goals because it pushes more housing to parts of the region with fewer jobs and lower incomes. Cities in Los Angeles County and Orange County closest to abundant job opportunities are mostly “built out” under existing zoning, and therefore have a relatively low projected household growth. These cities could, however, accommodate housing by rezoning land strategically. Implementing local inputs to allocate RHNA is not consistent with a law requiring the plan “to increase access to areas of high opportunity for lower-income residents”. RHNA should push for more low-income housing in high opportunity cities but using local inputs does the opposite. It pushes housing growth to the cities farthest from job opportunities – which have land to build on, and thus higher projected household growth.

I propose that the CEHD committee and the Regional Council replace Option 1 and 3 with different allocation methods for public consideration, methods that use objective measures consistent with the goals of advancing environmental sustainability and social equity. SCAG’s Option 2 considers population share and access to high-quality transit. This is based on objective measures, but it is not sufficient. I suggest SCAG also consider factors including:

1. Housing costs,
2. The share of multifamily housing stock, 3. The share of subsidized housing, 4. The ratio of jobs to housing in the city, and 5. The share of regional jobs within a short commute.


Using these objective measures would allocate regional housing need in a way that advances environmental sustainability, and affirmatively furthers fair housing at the regional scale. The social equity adjustment is also an important issue. It is used to modify RHNA allocations by income category, to give higher numbers of lower-income need to relatively more affluent jurisdictions. It should be increased from the past practice of 110% to 200%. It is important to note, however, that if high opportunity cities have a low total RHNA number, the social equity adjustment will have a limited impact. The way we decide cities’ total housing need is potentially more consequential for increasing access to areas of high opportunity for lower-income residents.

A RHNA allocation that actually matches state goals is important. RHNA numbers are increasingly consequential and the state assesses housing production according to RHNA targets as a valid measure of housing need. Assigning high RHNA numbers to cities with low housing demand unfairly punishes them, and they are less likely to meet these production targets. Additionally, assigning low RHNA numbers to cities with high housing demand unfairly rewards them for meeting goals. Moreover, assigning higher RHNA numbers to cities with higher demand for housing will actually lead to more housing production overall.

Local inputs work in opposition to the goals of the Housing Element Law, by disproportionately allocating amounts of housing to areas of low-opportunity, far from job centers, adding to regional congestion, increasing emissions,

negatively impacting air quality and people's overall quality of life. I urge you to consider the aforementioned factors in revising the RHNA methodology.

Personally sent by Christopher Palencia using Abundant Housing LA's Advocacy Tool. Abundant Housing LA is a grassroots pro-housing organization.

Sincerely,
Christopher Palencia
Gardena, CA 90249


From: Chris Palencia [REDACTED]
Sent: Sunday, September 1, 2019 10:35 PM
To: Regional Housing
Subject: Fwd: Quick RHNA Update

Hello,

This is a great result! Please record my comment as in favor of NO MODIFICATIONS to the 1.3M allocation. We need all the homes possible!

Thanks,
Chris

----- Forwarded message -----

From: **Liu, Jeff** <LIUJ@scag.ca.gov>
Date: Fri, Aug 30, 2019 at 10:35 AM
Subject: Quick RHNA Update
To: Palencia, Chris <chris.palencia@gmail.com>

Dear City/County Managers and Planning Directors,

If you haven't heard, the California Department of Housing and Community Development (HCD) provided their Regional Housing Need determination for the SCAG region last week – [a total of 1,344,740 housing units that the six-county region must plan for in the October 2021 – October 2029 planning period.](#)

What's Next for the Regional Housing Need Determination

SCAG has 30 days following receipt of the HCD Regional Housing Need determination to either accept the number or file an objection, along with a basis consistent with state housing law. This will be a discussion item at our Sept. 5 Community, Economic and Human Development Committee and Regional Council meetings. Live streams of these meetings will be provided via our website if you are unable to come to downtown Los Angeles.

How This Will Affect Local Jurisdictions

Additionally, SCAG is in the process of determining how HCD's determination of 1.3 million units will be allocated, or distributed, to local jurisdictions. A public comment period for the [Proposed RHNA Allocation Methodology](#), which includes three options, is currently underway and will close on Sept. 13.

Due to requests from member local jurisdictions, we've updated the [Estimate Tool](#) to reflect the HCD regional need determination for the SCAG region, which you can use to estimate your jurisdiction's allocations under the three options in the Proposed RHNA Allocation Methodology.

IMPORTANT DISCLAIMER: This Estimate Tool is for illustrative purposes to evaluate the three methodology options and should not be interpreted as the RHNA allocation for any local jurisdiction,

notwithstanding the update of the Estimate Tool. SCAG has not finalized its allocation methodology. Following the conclusion of the public comment period, SCAG staff will present a Final Proposed RHNA Allocation Methodology for review and approval by the Regional Council at its Nov. 7 meeting.

For more information about the Proposed RHNA Allocation Methodology, please visit SCAG's [RHNA webpage](#). If you have any questions or would like to submit comments, please e-mail housing@scag.ca.gov.

Sincerely,



Jeff Liu

Manager of Media and Public Affairs

Tel: (213) 236-1998

LIUJ@scag.ca.gov

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700, Los Angeles, CA 90017



Regional Housing

From: D S [REDACTED]
Sent: Wednesday, September 4, 2019 8:46 AM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California's demographics and housing formations are vastly different than New York's.

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- With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- Increase targets for low and moderate-income housing, reduce luxury housing targets

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Darren Swimmer
Los Angeles 90064

[REDACTED]

From: Diana Stiller [REDACTED]
Sent: Sunday, September 1, 2019 1:51 PM
To: Regional Housing
Subject: Unrealistic figures for increased density

Email comments to: housing@scag.ca.gov

Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

Our area is already so congested that there is no parking on my street for visitors, let alone residents. I can no longer invite friends and family to visit. We are already inundated with over a thousand new apartments many of which have been given approval to "sidestep" the previous number of parking spaces required for each unit.

We are being choked to death by over zealous law makers. Our already congested neighborhoods will eventually make our homes unsaleable. As to the need for more housing, That is true, but the need is for AFFORDABLE HOUSING, not the plush expensive units that line the pockets of developers.

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination**

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

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It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

- **With a realistic RHNA figure in-place, please use proposed Methodology 3 to determine housing needs allocations**

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 3 appears to place the greatest emphasis on local inputs and therefore offers the most appropriate way to calculate housing allocations by city.

- **Increase targets for low and moderate-income housing, reduce luxury housing targets**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for "above moderate income" housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Diana Stiller

Los Angeles, CA 90025

[REDACTED]

From: Doris and Les [REDACTED]
Sent: Monday, September 2, 2019 12:10 AM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

As West Los Angeles homeowners we are now facing a new threat to our way of life from Sacramento. At the direction of Governor Newsom, the Department of Housing and Community Development (HCD) has determined that our region needs 1.3 million new homes by 2029.

This is a huge figure... more than THREE TIMES the projection by you, our own Southern California Association of Governments (SCAG).

If this crazy-high goal goes unchallenged, and SCAG rolls over and accepts it, the result will surely be still more deregulation, up zoning and density. None of which can be supported by our already-strained infrastructure.

Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely inflated 1.3 million determination.

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Increase targets for low and moderate-income housing, reduce luxury housing targets.

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Respectfully,
Doris Roach
Los Angeles, 90025



Virus-free. www.avast.com

From: Genie Saffren [REDACTED]
Sent: Tuesday, September 3, 2019 2:28 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs

Dear Southern California Association of Governments,

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All good things,
Genie & Bernard Saffren

Sent from my iPhone

Regional Housing

From: Georgianne Cowan [REDACTED]
Sent: Tuesday, September 3, 2019 9:22 PM
To: Regional Housing
Subject: comment on 6th Cycle RHNA

Subject: 6th Cycle Regional Housing Needs Assessment

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Respectfully,

Georgianne cowan

L.A, 90025

September 3, 2019

The Honorable Peggy Huang
Chair, Community, Economic, and Human Development Committee

The Honorable Bill Jahn
Chair, Regional Council
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Dear Chairs Huang and Jahn:

Regarding staff's recommendation of appealing the California Housing and Community Development (HCD) Department's regional determination for the Regional Housing Needs Assessment (RHNA) of 1,344,740, I strongly urge the Community, Economic, and Human Development Committee and Regional Council to not appeal HCD's determination.

Governor Gavin Newsom has stated, with support from academic studies, that California should build 3.5 million units by 2025. Even a more conservative USC study has stated that there is an existing need of 2.5 million units statewide, ignoring projected need. Given those statements, and that the SCAG region is about 50% of the state's population, it makes sense that at least 1.7 million housing units should be accommodated under the RHNA process. I recognize that it is virtually impossible to meet the Governor's goals of having units built by 2025, but RHNA only requires jurisdictions to identify the space for their share of the housing units in the region.

It is unlikely, but possible, that HCD may increase the regional determination, with no further appeals by SCAG. Legal action, as was proposed by a RHNA subcommittee member, is going to waste taxpayer money without enabling a single housing unit to be built. We need to address this challenge directly rather than attempting to use gimmicks such as phasing in existing need over multiple cycles, claiming cost burden double counts overcrowding, or criticizing HCD over neglecting the few units on tribal land.

Indeed, even though staff attempted in good faith to come up with a number using the most conservative (i.e. lowest yielding) plausible assumptions resulting in a number of 659,144 of existing and projected need, which was approved by the RHNA subcommittee and CEHD, the Regional Council rejected staff's recommendation and submitted 430,289 as the adopted RHNA allocation. As some Regional Council members warned that fateful day, it should be no surprise to CEHD or the Regional Council that HCD ignored the submission. The region should not risk another rejection and further delay to the setting of the RHNA allocation, and accept HCD's proposal as is.

Please see the next page for technical comments regarding SCAG's revised calculation of the existing and projected regional housing needs.

These comments are made on a personal basis and do not represent any organization I may be affiliated with.

Sincerely,

Henry Fung

Technical comments

My calculation of the regional determination using SCAG's suggested inputs is as follows:

Assume SCAG's projected household number holds per citation to Government Code.

Projected households: **6,668,498** (PH)

Vacancy adjustment:

3.90% healthy rate based on California Office of Planning and Research

2.13% weighted actual vacancy rate (2017 1 year ACS)

Actual adjustment = Projected households X (healthy rate -actual rate) = PH * 1.77% = **118,032**

Overcrowding adjustment:

2017 ACS 1-year (table S2501): SCAG region overcrowding (weighted average of LA-Anaheim, Riv-SB, and El Centro MSAs): 9.97%

Weighted average of 10 selected MSAs (slide 7 of presentation) : 4.94%

(See <https://drive.google.com/file/d/1l3cb1D73iQz8nN6TujZXzMysd-cyJvIG/view> for calculation of weighted average.)

Adjustment = SCAG overcrowding – 10 MSA weighted average = 5.03%

Actual adjustment = PH * 5.03% = **335,425**

Replacement adjustment: minimum 0.5% adjustment (Staff has not cited any law or regulation why HCD should deviate) = PH * 0.50% = **33,342**

Occupied housing units on June 30, 2021 per HCD (Staff is not disputing) = **6,250,261**

Subtotal = PH + adjustments – occupied housing units = **905,037**

Cost burden adjustment = Subtotal * (share of renters * low income share of RHNA * lower income adjustment + share of renters * mod/above mod share of RHNA * mod/above mod adjustment + share of owners * low income share of RHNA * lower income adjustment)
= 905,037 * (.4757 * (.261+.153) * 10.63% + .4757 * (.167+.418) * 9.28% + .5243 * (.261+.153) * 10.63%)
= 905,037 * 0.0698 = **63,201**

Subtotal + Cost burden adjustment = Total RHNA

Total RHNA using SCAG methodology = **968,238**, which is above the 821,000 to 924,000 requested by staff in the conclusion of their report.

Using SCAG's own logic, I do not understand why SCAG is trying to increase their population projection from HCD's, unless they are also rejecting HCD's demographic breakdown, and as such number of households formed in the planning period. If that is the case (and SCAG believes that household formation rates would be lower despite a larger population), it should be made explicit.

On the overcrowding adjustment, SCAG originally tried to use a group of predominantly Hispanic regions as comparable metropolitan areas by stating that immigrants had an affinity for overcrowding. HCD rejected this frankly nationalist assertion, but used a national average of overcrowding from the American Community Survey instead. SCAG staff has responded in their rebuttal to HCD by saying that the median metropolitan region in the United States, Fargo, North Dakota (#190), is not comparable to the SCAG region. Thus, according to SCAG, national averages should not be used.

HCD clearly used a mean of the entire United States, which is the equivalent of the overcrowding rates in each MSA weighted by the size of the MSA. SCAG's assertion is innumerate and should be withdrawn. It also glosses over that SCAG staff used Brownsville, Texas as a comparable metropolitan area, which is #128 in size, in its original submittal to HCD.

Based on my calculation of the weighted average overcrowding of the ten comparable metropolitan areas selected by SCAG in August 2019, the overcrowding adjustment should be 5.03%, which is closer to HCD's 6.76% rather than SCAG's originally submitted 2.33%.

Regarding healthy vacancy rate, per the Census Bureau the current average vacancy rate in the United States is 6.8% for rentals and 1.3% for homeowners.

(<https://www.census.gov/housing/hvs/files/currenthvspress.pdf>) Using the proportions of renters vs. owners in the SCAG region, a vacancy rate of 3.92% would merely bring us to the national average. Few housing advocates would argue the current situation, even on a national basis, is healthy.

On cost burdens for moderate and above moderate home owners, SCAG asserts that home owners benefit from housing shortages due to home value appreciation. Not all home owners benefit from appreciation because they may not have the credit profile or financial capacity to take advantage of second mortgages or home equity lines of credit; mortgage rates can fluctuate; and more homeowners live in planned unit developments, condominiums, etc. which also see increased costs for operations and maintenance due to the regional housing shortage, passed on the owners in the form of HOA fees. In addition, even moderate and above moderate income homeowners may be stuck due to high housing costs from moving to another unit which may better fit their family, or reflect changes in employment.

While most homeowners benefit from fixed interest mortgages and Proposition 13 caps on property tax increases, SCAG should provide more justification for excluding moderate and above moderate income owners from a cost burden adjustment.

[REDACTED]

From: Jane Demian [REDACTED]
Sent: Monday, September 2, 2019 10:04 AM
To: Regional Housing
Cc: [REDACTED] 'Nancee L.'
Subject: RHNA METHODOLOGY OPTIONS

I am submitting comments to the proposed RHNA Methodology Options. The Regional Housing Needs Assessment options need to include actual and projected household growth and needs by reference to

(a) actual current needs for housing at every income level, with a 70% weighting of households, a 20% weighting of transit and a 10% weighting for lack of building permitting and activity, with a 110% social equity adjustment factor for the three lower income levels on existing need PLUS

(b) projected housing needs at every income level with a 150% social equity adjustment factor for all income levels on projected needs, in each case taking local input and data as a component of the formula.

I look forward to hearing the results of this study. Thank you.

Jane Demian

Los Angeles, CA 90041

Regional Housing

From: Kohn/Sherwood <[REDACTED]>
Sent: Wednesday, September 4, 2019 8:37 AM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

I SUPPORT: SCAG's original RHNA of 430,000 units by 2029

I REJECT: the State's HCD's hugely-inflated 1.3 million determination

I SUPPORT: adoption of the proposed Methodology 1 determine housing needs allocations with realistic RHNA figures in place

I SUPPORT: increased targets for low and moderate-income housing, reduce luxury housing targets

Joseph J. Sherwood
[REDACTED]
Los Angeles, CA 90025

[REDACTED]

From: Judith Deutsch [REDACTED]
Sent: Friday, August 30, 2019 12:19 PM
To: Ma'Ayn Johnson
Subject: Housing

I am not in favor of adding over a million housing units to our already overburdened streets, traffic, and water resources. The quality of life in our neighborhoods is already deeply depleted and this will not solve the homeless problem because they cannot afford "affordable housing." What it is doing is encouraging those of us who pay the property taxes for schools and public services, make considerable charitable gifts to improve our communities, and provide volunteer hours for the homeowner associations, community councils, community neighborhood associations, community emergency response teams, and hospitals, and are building the first community center in our community, to leave Los Angeles and California.

Too many friends have already left.

I just spoke to a person at LA Department of Building and Safety who sold all of their personal and investment properties in Los Angeles and has replaced them elsewhere. That's quite an admission.

I am single, like many of today's adults, and will invest heavily in the welfare of my new community(s). I am looking to live bi-coastal in Oregon and Vermont on the proceeds from selling my condo here. I had been starting two new businesses in LA, but will wait to hire in my new communities. Taxes are much lower in both states.

Sincerely,
Judith Deutsch

[REDACTED]
Los Angeles, CA 90066
[REDACTED]

Sent from my iPhone

From: [REDACTED] on behalf of Judy Saunders
Sent: Tuesday, September 3, 2019 10:15 AM
To: Regional Housing
Subject: Input on Regional Housing Needs Assessment (RHNA) Methodology

Dear Southern California Association of Governments,

I am writing to urge the Regional Council to reject the use of local inputs for the allocation of regional housing need, and instead, ask SCAG staff to propose an allocation formula based on objective measures that align with the stated priorities of Housing Element Law.

Using local inputs as a basis for RHNA works directly against environmental and social goals because it pushes more housing to parts of the region with fewer jobs and lower incomes. Cities in Los Angeles County and Orange County closest to abundant job opportunities are mostly “built out” under existing zoning, and therefore have a relatively low projected household growth. These cities could, however, accommodate housing by rezoning land strategically. Implementing local inputs to allocate RHNA is not consistent with a law requiring the plan “to increase access to areas of high opportunity for lower-income residents”. RHNA should push for more low-income housing in high opportunity cities but using local inputs does the opposite. It pushes housing growth to the cities farthest from job opportunities – which have land to build on, and thus higher projected household growth.

I propose that the CEHD committee and the Regional Council replace Option 1 and 3 with different allocation methods for public consideration, methods that use objective measures consistent with the goals of advancing environmental sustainability and social equity. SCAG’s Option 2 considers population share and access to high-quality transit. This is based on objective measures, but it is not sufficient. I suggest SCAG also consider factors including:

1. Housing costs,
2. The share of multifamily housing stock, 3. The share of subsidized housing, 4. The ratio of jobs to housing in the city, and 5. The share of regional jobs within a short commute.

Using these objective measures would allocate regional housing need in a way that advances environmental sustainability, and affirmatively furthers fair housing at the regional scale. The social equity adjustment is also an important issue. It is used to modify RHNA allocations by income category, to give higher numbers of lower-income need to relatively more affluent jurisdictions. It should be increased from the past practice of 110% to 200%. It is important to note, however, that if high opportunity cities have a low total RHNA number, the social equity adjustment will have a limited impact. The way we decide cities’ total housing need is potentially more consequential for increasing access to areas of high opportunity for lower-income residents.

A RHNA allocation that actually matches state goals is important. RHNA numbers are increasingly consequential and the state assesses housing production according to RHNA targets as a valid measure of housing need. Assigning high RHNA numbers to cities with low housing demand unfairly punishes them, and they are less likely to meet these production targets. Additionally, assigning low RHNA numbers to cities with high housing demand unfairly rewards them for meeting goals. Moreover, assigning higher RHNA numbers to cities with higher demand for housing will actually lead to more housing production overall.

Local inputs work in opposition to the goals of the Housing Element Law, by disproportionately allocating amounts of housing to areas of low-opportunity, far from job centers, adding to regional congestion, increasing emissions,

negatively impacting air quality and people's overall quality of life. I urge you to consider the aforementioned factors in revising the RHNA methodology.

Personally sent by Judy Saunders using Abundant Housing LA's Advocacy Tool. Abundant Housing LA is a grassroots pro-housing organization.

Sincerely,
Judy Saunders
Venice, CA 90291



Regional Housing

From: Karen Boyarsky [REDACTED]
Sent: Tuesday, September 3, 2019 10:12 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

We have lived in a single-family home of 1100 square feet for 27 years. I have seen the deterioration of my neighborhood due to corporate developers with little regard for the environment and community.

We are surrounded by new “monster” houses and high-density, multi-story units that are taxing local schools, streets, emergency resources, and destroying what’s left of the flora and fauna of the area. Mass transit (and subsequent housing near stations) may help carry passengers around Los Angeles for work, but has also resulted in increased driving to local markets, shops, and services. Traffic congestion in West Los Angeles is unsafe and already beyond capacity!

PLEASE revert to SCAG’s original RHNA of 430,000 units by 2029 and reject any others. Housing for 1.3 million by 2029 is unconscionable!

Thank you,

K. Boyarsky
Overland Avenue

From: Kathy [REDACTED]
Sent: Saturday, August 31, 2019 3:33 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

• Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California's demographics and housing formations are vastly different than New York's.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. Please take the time to read it here: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD's own forecast) indicate that California's additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

• With a realistic RHNA figure in-place, please use proposed Methodology 3 to determine housing needs allocations

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 3 appears to place the greatest emphasis on local inputs and therefore offers the most appropriate way to calculate housing allocations by city.

• Increase targets for low and moderate-income housing, reduce luxury housing targets

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for "above moderate income" housing, at around 45% of the total. This figure is way too high. Please consider

reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,
Kathy Hersh
Los Angeles/90025

Regional Housing

From: Keith Solomon [REDACTED]
Sent: Wednesday, September 4, 2019 1:50 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG’s original RHNA of 430,000 units by 2029 and reject HCD’s hugely-inflated 1.3 million determination**

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It follows that the real housing need number for the SCAG region is less than a third of the HCD’s latest 1.3 million determination. In other words, SCAG’s original RHNA of 430,000 is probably just about right.

- **With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations**

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- **Increase targets for low and moderate-income housing, reduce luxury housing targets**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider

reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Sincerely,

Keith Solomon



Los Angeles, CA 90064

[Keith Solomon Productions, Inc.](http://www.KeithSolomon.com)
www.KeithSolomon.com

Regional Housing

From: lauren thomas <[REDACTED]>
Sent: Wednesday, September 4, 2019 1:45 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG’s original RHNA of 430,000 units by 2029 and reject HCD’s hugely-inflated 1.3 million determination**

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- **With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations**

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Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

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The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, **the largest target is set for “above moderate income” housing, at around 45% of the total.** This figure is way

too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Lauren Thomas

Los Angeles, CA 90064

Regional Housing

From: Laurie Blaustein [REDACTED]
Sent: Wednesday, September 4, 2019 12:01 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination**

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More sensible and realistic models (including HCD's own forecast) indicate that California's additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

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The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for "above moderate income" housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Laurie Blaustein



Los Angeles, CA 90024

--

try this

Regional Housing

From: [REDACTED]
Sent: Wednesday, September 4, 2019 9:20 AM
To: Regional Housing
Subject: Los Angeles is NOT NYC

9/3/19

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

· Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

We are NOT New York. Using their format is totally inappropriate.

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

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Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Lee Zeldin

[REDACTED]

Los Angeles, CA 90025

August 31, 2019

Honorable Bill Jahn
President, Regional Council
Southern California Association of Governments (SCAG)
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017

Re: Regional Housing Needs Assessment (RHNA) Allocation Methodology

Dear President Jahn,

The undersigned professors in the fields of planning and public policy across Southern California write to urge the Regional Council to adopt a regional housing needs assessment (RHNA) allocation formula that is based on objective measures, and that aligns with the stated goals of both the Housing Element Law and RHNA. These are:

- Equitably increase the region's housing supply and the mix of housing types, tenure, and affordability in all cities and counties;
- Promote infill and efficient development patterns, socioeconomic equity, environmental and agricultural resource protection, and GHG reduction;
- Promote a better jobs/housing fit throughout the region, particularly for low-income workers;
- Balance disproportionate household income distributions;
- Affirmatively further fair housing.

The draft RHNA allocation methodology released by SCAG on August 2nd does not align with the statutory objectives outlined above. SCAG presents three allocation options, two of which (Options 1 and 3) are based on local inputs. Local inputs are the way SCAG has allocated RHNA numbers in the past, but local inputs are not objective measures. Option 2 uses objective measures (population share and access to transit), but these are inadequate factors according to the goals of the statute.

In this letter, we first explain why using local inputs works against the goals of Housing Element Law, then outline a set of factors that should be used in a RHNA methodology to align with the State's goals of social equity and environmental sustainability.

Local inputs are projections of household growth under current zoning. Using them as a basis for RHNA works directly against environmental and social goals because cities in Los Angeles County and Orange County closest to abundant job opportunities are

mostly "built out" under existing zoning, and therefore have a relatively low projected household growth. These cities could accommodate much housing by rezoning some of their land, but Options 1 and 3 take local zoning as given, leaving these largely-affluent cities free to constrain their own growth. Because housing need still has to go somewhere, this method assigns most housing to where it is needed least. It pushes housing to parts of the region with fewer jobs, adding to regional congestion, increasing emissions and damaging air quality and quality of life.

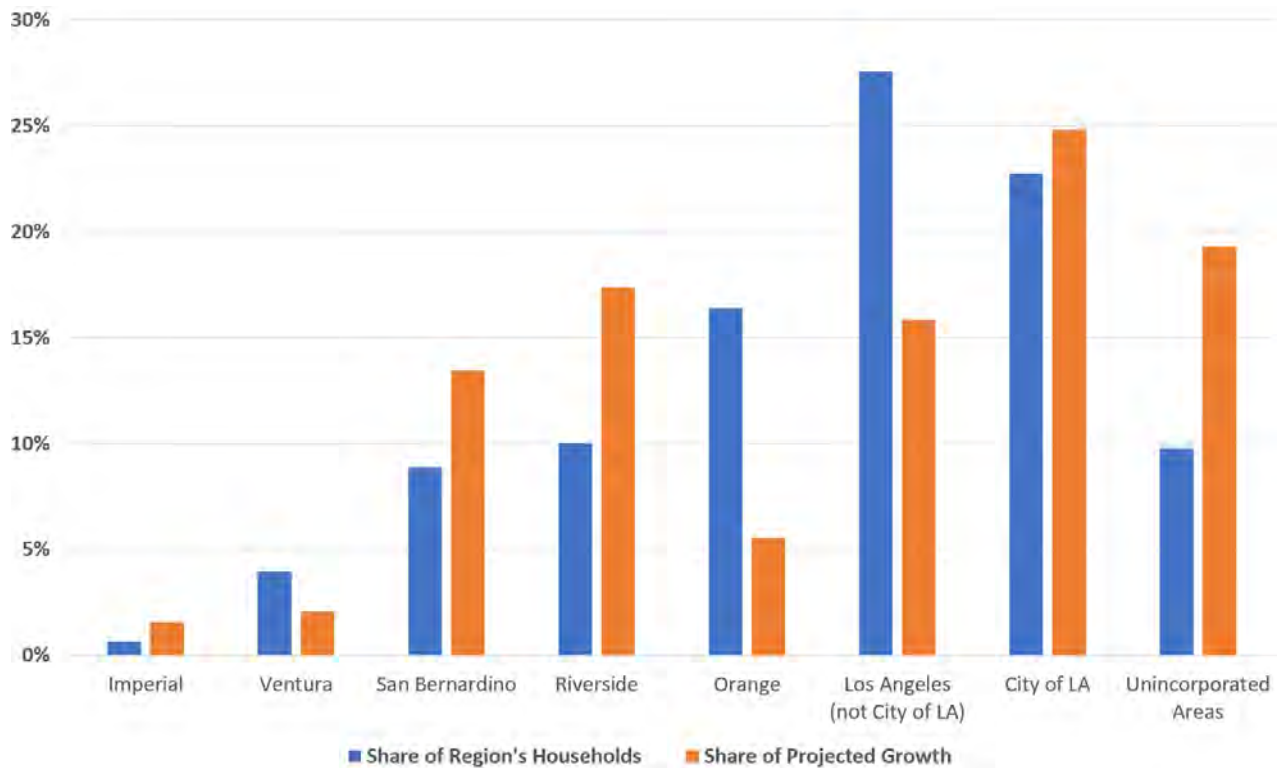


Figure 1. Share of Region’s Households and Projected Growth (basis for RHNA under Option 1 and 3)

Source: Columns D and K of “Projected Household Growth”, page 137 SCAG Agenda Packet, July 22

Figure 1 demonstrates the regional imbalance built into Options 1 and 3. RHNA should push for more low-income housing in high opportunity cities, but using local inputs does the opposite. Outlying places with lower shares of regional population are consistently assigned higher shares of projected growth. Reliance on local inputs pushes housing growth to the cities farthest from job opportunities - which have land to build on, and thus higher projected household growth.

Instead, we propose that SCAG allocate housing need using objective measures consistent with the goals of advancing environmental sustainability and social equity. We suggest SCAG use a combination of the following factors:

1. **Regional share of housing units** (cities are assigned housing need in proportion to their size),
2. **Housing costs** (more expensive cities are assigned more housing need),
3. **The share of multifamily housing** (cities with less multifamily housing are assigned more multifamily housing need),
4. **The share of subsidized housing** (cities with less subsidized housing are assigned more housing need),
5. **Access to high quality transit** (cities with more access to transit are assigned more housing need)¹,
6. **The ratio of jobs to housing** (cities with high jobs/housing ratios are assigned more housing need), and
7. **Jobs within a short commute** (cities with more job accessibility are assigned more housing need).

These factors can be combined in different ways, but we suggest substantial weight be based on housing factors (2-4) and jobs access factors (6-7).

An alternate approach to the formula from Option 2 would be to start with cities' regional housing unit share as a base allocation. Then, this number would be adjusted upwards or downwards separately based on the other six factors above. For each factor, the allocation would go up or down by a percentage (e.g. up or down by 15%) depending on the city's value of that factor relative to the region. For example, if a city's share of regional housing units is X%, but its jobs to housing ratio is the highest in the region, its allocation would increase by 15%. If the jobs housing balance is exactly the 25th percentile of the region, its allocation would decrease by 7.5%. Cities at the median would not have their allocation adjusted.

¹ The current proposal to use the *population* share in a HQTAs is not the best way to use HQTAs because it allocates less housing to cities without residential zoning (or low density zoning) near transit. We suggest using land area in a HQTAs instead.

This approach has the benefit of easily incorporating factors like housing costs. And it would ensure some limits on the RHNA number relative to city size. In the example above, where the number would change by up to 15% for each factor, by definition no city would get less than 10% of their housing unit share or more than 190%.

Most importantly, using these objective measures - with a strong social equity adjustment to the distribution of need by income category described below - would allocate regional housing need in a way that advances environmental sustainability, and affirmatively furthers fair housing in the region.

The social equity adjustment is also an important issue. This adjustment is used to modify RHNA allocations by income category--to assign higher numbers of lower-income need to relatively more affluent jurisdictions. For example, past practice has been to increase high income cities' share of low-income units by 10% - and decrease low income cities allocation of low-income units by the same factor. The size of this adjustment should be increased significantly.

It is important to note, however, that the social equity adjustment will not be an effective way to ensure high-income cities zone for anything but a trivial amount of low-income housing. If high opportunity cities have a low total RHNA number, the social equity adjustment will have a limited impact. A 10% - or 50% - adjustment of a very low number is still a very low number. The initial approach to allocating housing need is more consequential for increasing access to areas of high opportunity.

A RHNA allocation that actually matches state goals is important. RHNA numbers are increasingly consequential (e.g. under laws like SB 35) and the state assesses housing production according to RHNA targets as a measure of housing need. Thus assigning high RHNA numbers to cities with low housing demand unfairly punishes them, as they are less likely to meet these production targets for reasons beyond their control. In the same way, assigning low RHNA numbers to cities with high housing demand unfairly rewards them for meeting easily obtained goals. Moreover, assigning higher RHNA numbers to cities with higher demand for housing will lead to more housing production overall (see separate technical note for an explanation and evidence of this fact).

For too long, California's fair housing law and regional planning process has been a paper exercise. A process of aggregating the preferences of cities is not regional planning, and if SCAG continues to assign housing needs as they have in the past not only will it fail to accomplish goals of furthering fair housing, promoting sustainable infill development, and accommodating people of all incomes in the region, but it will also

mandate housing sprawl and unfairly burden the least well off cities in the region. The time to change this process is now.

Sincerely,

Paavo Monkkonen
Associate Professor of Urban Planning and Public Policy
UCLA Luskin School of Public Affairs

Michael Lens
Associate Professor of Urban Planning and Public Policy
UCLA Luskin School of Public Affairs

Michael Manville
Associate Professor of Urban Planning
UCLA Luskin School of Public Affairs

Brian D. Taylor, PhD, FAICP
Professor of Urban Planning and Public Policy
Director, Institute of Transportation Studies
UCLA Luskin School of Public Affairs

Evelyn Blumenberg
Professor of Urban Planning
Director, Lewis Center for Regional Policy Studies
UCLA Luskin School of Public Affairs

Stephanie Pincetl
Professor in Residence
Director California Center for Sustainable Communities
Institute of the Environment, UCLA

Lisa Schweitzer
Professor
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Director, USC Price School of Public Policy in Sacramento

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Professor and Chair, Department of Urban Planning
UCLA Luskin School of Public Affairs

Richard K Green
Professor, Price School of Public Policy and Marshall School of Business
University of Southern California

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Associate Professor, Departments of Chicano Studies & Public Policy
University of California, Los Angeles (UCLA)

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Assistant Professor
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David Sloane
Professor
USC SolPrice School of Public Policy

Zachary Steinert-Threlkeld
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Chapman University

Shelley Ross Saxer
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Director, Global Engagement Office
University of Southern California

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Randall Crane
Professor Emeritus
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University of Southern California

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Christine L. Jocoy
Professor of Geography
California State University, Long Beach

Ethan Elkind
Director of the Climate Change and Business Program
UCLA / UC Berkeley Schools of Law

Affiliations are listed for identification purposes only

Regional Housing

From: linda blank [REDACTED]
Sent: Wednesday, September 4, 2019 2:05 PM
To: Regional Housing
Subject: Regional Housing Needs assessment
Attachments: SCAG RHNA Comments.doc

see attached

Linda M. Blank

LAW OFFICES OF LINDA M. BLANK
1925 Century Park East, Suite 2000
Los Angeles, California 90067-2712
Telephone (310) 277-2236
Facsimile (310) 526-6503

The information contained in this e-mail message, is legally privileged and confidential information intended only for the use of the individual or entity named above. If you have received this message in error, please immediately notify the sender by reply e-mail or telephone and return the message to Law Office of Linda M. Blank, 1925 Century Park East, Suite 2000, Los Angeles, California 90067-2712, via the U.S. Postal Service.

Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California's demographics and housing formations are vastly different than New York's.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. Please take the time to read it here: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD's own forecast) indicate that California's additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

Increase targets for low and moderate-income housing, reduce luxury housing targets

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Your Name

City, Zip Code

Regional Housing

From: Linda Kohn Sherwood [REDACTED]
Sent: Wednesday, September 4, 2019 8:30 AM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

I SUPPORT: SCAG's original RHNA of 430,000 units by 2029

I REJECT: the State's HCD's hugely-inflated 1.3 million determination

I SUPPORT: adoption of the proposed Methodology 1 determine housing needs allocations with realistic RHNA figures in place

I SUPPORT: increased targets for low and moderate-income housing, reduce luxury housing targets

Linda K Sherwood
Parnell Avenue
90025

Regional Housing

From: Lisa Schechter [REDACTED]
Sent: Tuesday, September 3, 2019 9:28 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

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It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

- With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- Increase targets for low and moderate-income housing, reduce luxury housing targets

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Lisa Schechter

Los Angeles, CA 90025

[REDACTED]

From: Olaviking [REDACTED]
Sent: Tuesday, September 3, 2019 9:39 AM
To: Regional Housing
Subject: 6th Cycle Regional Housing assessment

Dear Southern California Association of Governments:

As a long time resident of WLA, I am deeply concern about the approach our State has taken regarding lack of enough housing. I feel, and I am sure my fellow residents feel, we are being harassed, and ignored by our Government. This need for extra housing is understandable, but to use it without regarding the residents of single homes is abusive. As my esteemed fellow resident within WSSM, Steve Rogers, has aptly put it, your targets have to be reasonably lowered.

Respectfully,

Marcelo Olavarria
Irene Olavarria
Los Angeles, CA 90064

[REDACTED]

From: Margret [REDACTED]
Sent: Tuesday, September 3, 2019 3:50 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I am submitting the following comments and suggestions on the 6th Cycle RHNA for our region.

~Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely inflated 1.3 million determination. The pro-developer special interest lobbyists must not be allowed to determine housing policy, especially since they are failing to take into account the absence of supporting infrastructure.

~ Please use proposed methodology 1 to determine housing needs allocations. Use of local inputs is the reasonable and appropriate way to calculate housing allocations by city.

~ Reduce luxury housing targets in favor of low and moderate income housing.

Respectfully,
Margaret Healy
Los Angeles 90064

Sent from my iPad

Regional Housing

From: Marc Robbins [REDACTED]
Sent: Wednesday, September 4, 2019 5:39 AM
To: Regional Housing
Subject: Proposed new housing requirements for SCAG region

Please record my opposition to the proposed requirement for the SCAG area to build 1.3 million new housing units by 2029.

While I do believe there is a housing crisis in California, including southern California, the proposed new levels are way beyond anything our infrastructure could absorb. Our housing costs may be too high, but to bring them down via overcrowding, shortfalls in infrastructure, huge increases in congestion and traffic (since southern Californians are notoriously averse to using transit, even if housing is built near it), all make the 1.3 million requirement incredibly beyond anything that is feasible.

I support the existing SCAG requirement for 430,000 new units. I believe that is a responsible, achievable level of growth, aimed at taking pressure off housing costs while not overburdening our streets, schools, and other vital parts of our infrastructure.

Best regards,

Marc Robbins

[REDACTED]
Los Angeles 90064

Regional Housing

From: Martha Singer [REDACTED]
Sent: Wednesday, September 4, 2019 11:38 AM
To: Regional Housing
Subject: Housing requirement demand by the state

Dear SCAG,

Yes, we need more low and moderate-income affordable housing, but that does NOT require taking over nice single-family-housing neighborhoods to build luxury apartments and condos. We are already experiencing the building of very expensive housing under the guise of TOC, when anybody who rides mass transit knows that the other riders cannot afford \$3,000-\$4,000 per month for housing! Developers are just taking advantage of these programs to make a lot of money. Don't let the lobbyists persuade California and Southern California to fall for this trick. Insist that any requirements for housing be aimed at the real need for affordable housing. If the big developers aren't interested in anything other than very expensive units, please find non-profits who can build affordable housing.

Thanks for your thoughtful efforts,

Martha Singer
[REDACTED]
[REDACTED]

Los Angeles 90064

Regional Housing

From: Mike Javadi [REDACTED]
Sent: Wednesday, September 4, 2019 1:42 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG’s original RHNA of 430,000 units by 2029 and reject HCD’s hugely-inflated 1.3 million determination**

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build “3.5 million homes by 2025”. But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here’s why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California’s housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California’s demographics and housing formations are vastly different than New York’s.

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More sensible and realistic models (including HCD’s own forecast) indicate that California’s additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD’s latest 1.3 million determination. In other words, SCAG’s original RHNA of 430,000 is probably just about right.

- **With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations**

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- **Increase targets for low and moderate-income housing, reduce luxury housing targets**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and

moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

- **Promote jobs at other cities such as Sacramento.**
- **Require companies to open offices where their employees live.**

If a large majority of company employees are commuting from 25+ miles away, shouldn't the company open their office where the employees live?

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Mike Amirjavadi
Los Angeles, 90025

Mike Javadi

Regional Housing

From: Nancy Rae Stone <[REDACTED]>
Sent: Wednesday, September 4, 2019 9:53 AM
To: Regional Housing
Subject: 6th cycle RHNA

September 4, 2019

Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

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Respectfully,

Nancy Rae Stone



Los Angeles, Ca

Let's all go on a low-carbon footprint diet....

August 31, 2019

Honorable Bill Jahn
President, Regional Council
Southern California Association of Governments (SCAG)
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017

via email: housing@scag.ca.gov

Re: Regional Housing Needs Assessment (RHNA) Allocation Methodology

Dear President Jahn,

This technical note explains why increasing zoned capacity in cities with housing high demand is important if increasing overall housing production is a regional goal – and several reports and presentations by the Southern California Association of Governments say that is. Little housing is built in cities with low demand, and currently there is relatively little zoned capacity in cities with high demand.

Figure 1 shows the problem. The figure sorts SCAG's cities into four groups of similar population size ranked by their median rent (as reported in the American Community Survey). For each group, I report population, recent permitting activity, and zoned capacity (taken from each city's 5th cycle Housing Element). I separate the City of Los Angeles from the rest because it is such an outlier in terms of size, construction, and zoned capacity.

The figure clearly shows that in the lower rent cities, there is relatively more zoned capacity and very little housing construction. In the higher rent cities, in contrast, there is relatively less zoned capacity but relatively more housing construction. The City of Los Angeles is in a category by itself - it accounted for almost half of the region's permits between 2013-2017 despite being only one fifth of the regional population.

The major takeaway from Figure 1 is that demand matters. Despite their lower zoned capacity (and their tendency towards more burdensome permitting processes), more housing is built in cities with higher rents. Adding zoned capacity in these cities is therefore likely to create more housing production than adding zoned capacity in low demand cities.

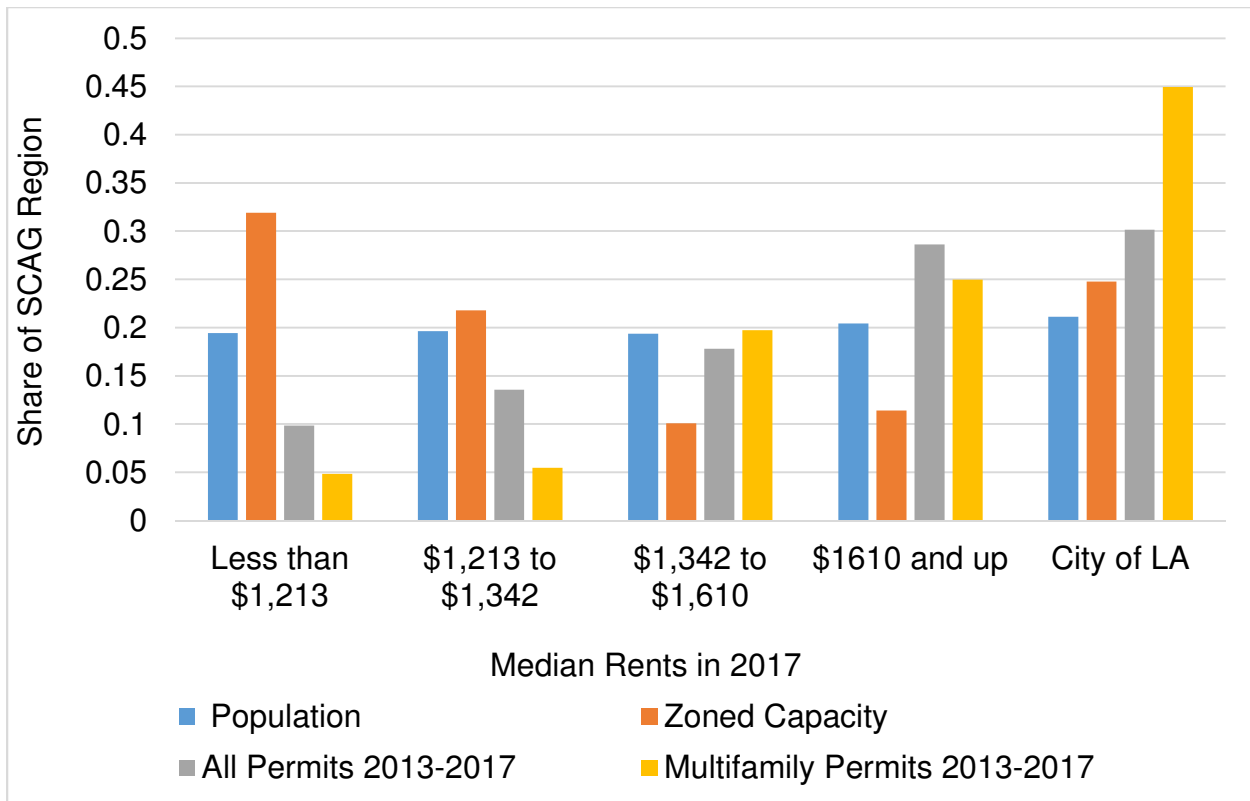


Figure 1. Population, Zoned Capacity, and Permits 2013-2017 for Cities in SCAG region, grouped by rents. *City of LA separated because it is an outlier.

To quantify this relationship between demand, capacity and production, I first regress the log of permitting activity between 2013 and 2017 on the log of rent and the log of zoned capacity (for 186 of SCAG’s jurisdictions with data), controlling for population. The results show that an increase in rent of 1% is associated with an increase in permitting of 1.1%. An increase in zoned capacity of 1%, meanwhile is associated with a smaller increase in permitting, of 0.3%.

As Figure 1 suggests, however, these two-way relationships tell only part of the story. The relationship between zoned capacity and permitting is conditional on rents (which are a measure of demand). To estimate this relationship, I regress the permitting activity between 2013 and 2017 on rents and zoned capacity as well as an interaction term of the two variables. Figure 2 below is a contour plot that shows the results of this model. The different colors indicate different levels of permitting activity at different combinations of rents and capacity.

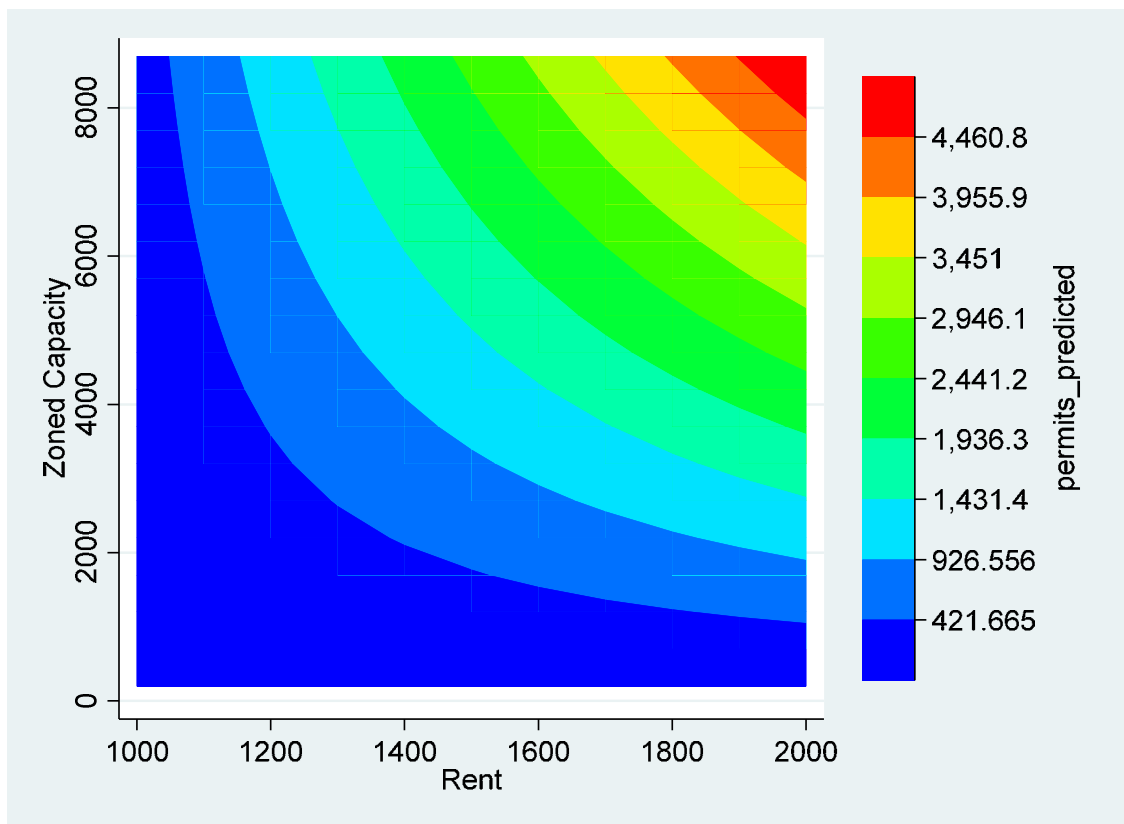


Figure 2. Results from a Regression of Permits 2013-2017 on Rents, Zoned Capacity, an Interaction of the two, and Log Population for 186 cities in SCAG

What does Figure 2 show? Imagine a city with a rent of \$1,200. If it went from a zoned capacity of 2,000 units to 6,000 units, its permitting rate would roughly double, from around 400 to 800. However, if a similar city with rents of \$1,800 saw the same zoned capacity increase (from 2,000 to 6,000 units), its permitting would almost quadruple, jumping from 800 to 2,800. Zoned capacity packs a lot more punch when demand is higher.

In the past, SCAG has allocated disproportionate amounts of its regional housing need to cities with existing zoned capacity – and low demand for housing. This has likely had no effect on housing production. Fortunately, if the allocation of regional needs in the 6th cycle follows statutory guidelines – especially reducing cities’ jobs housing imbalance – it can increase the needed housing production in our region.

Sincerely,

Paavo Monkkonen
 Associate Professor of Urban Planning and Public Policy
 Vice-Chair, Department of Urban Planning
 UCLA Luskin School of Public Affairs

From: Paula [REDACTED]
Sent: Sunday, September 1, 2019 4:24 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

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Respectfully,
Paula Bourges
90064 Los Angeles

From: Phil Davis [REDACTED]
Sent: Saturday, August 31, 2019 1:22 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments:

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More sensible and realistic models (including HCD’s own forecast) indicate that California’s additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD’s latest 1.3 million determination. In other words, SCAG’s original RHNA of 430,000 is probably just about right.

2. With a realistic RHNA figure in-place, please use proposed Methodology 3 to determine housing needs allocations

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 3 appears to place the greatest emphasis on local inputs and therefore offers the most appropriate way to calculate housing allocations by city.

3. Increase targets for low and moderate-income housing, reduce luxury housing targets

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,
Phil Davis
Los Angeles 90025

Regional Housing

From: Rachael Gordon [REDACTED]
Sent: Wednesday, September 4, 2019 11:00 AM
To: Regional Housing
Subject: Subject: 6th Cycle Regional Housing Needs Assessment

September 4, 2019

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- Please revert to SCAG's original RHNA of 430,000 units by 2029 and reject HCD's hugely-inflated 1.3 million determination

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build "3.5 million homes by 2025". But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here's why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California's demographics and housing formations are vastly different than New York's.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. Please take the time to read it here:
<https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD's own forecast) indicate that California's additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD's latest 1.3 million determination. In other words, SCAG's original RHNA of 430,000 is probably just about right.

- With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- Increase targets for low and moderate-income housing, reduce luxury housing targets

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Rachael Gordon

██████████

Los Angeles, CA 90025

From: Goldstone, Raymond [REDACTED]
Sent: Sunday, September 1, 2019 7:22 PM
To: Regional Housing
Subject: Sixth Cycle Regional Housing Needs Assessment: Comments

Please consider the following comments and suggestions on the Sixth Cycle RHNA for our region:

- **I urge you in the strongest terms to revert to SCAG's original RHNA of 430,000 units by 2029 and to reject HCD's current 1.3 million determination of a minimum Sixth Cycle housing need. In short, the 1.3 million units for our region is far higher than our region's housing need.**

Indeed, I have concluded that the 1.3 million units for our region is not based upon reality but rather reflects a *political* compromise designed to placate pro-developer lobbyists who would have you believe that California needs to build 3.5 million homes by 2025! I believe that this preposterous number originated from a 2016 report by McKinsey & Company, which argued that California's housing goal should be to equal the housing-units-per-capita of New York State. California's demographics and housing formations are vastly different than New York's. I refer you to a recent report by the Embarcadero Institute. Please take the time to read it at the following URL: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>.

More sensible and realistic models indicate that California's additional housing need by 2025 is somewhere between 1.1 million and 1.3 million units. Thus, it would appear that the *actual* housing need for the SCGA region is less than a third of the HCD's most recent determination; and that SCAG's original RHNA of 430,000 is a reasonable and responsible estimate.

- **Using SCAG's original, reasonable RHNA number, I request that proposed "Methodology 1" be used to determine housing need allocations.**

It is my understanding that a crucial component of housing need allocation for our region must be use of local inputs. This basic requirement rules out your proposed "Methodology 2". Of the remaining two options, "Methodology 1" appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- **Additionally, I urge that targets for market-rate, *luxury* housing be reduced, and that the targets for low-income and moderate-income housing be increased.**

Notwithstanding the wish of developers to build market-rate, *luxury* housing, our region's most needed housing is that for low-income and moderate-income housing. It is crucial that the breakdown of RHNA totals for each city by income bracket reflect the real needs. As I review the four income brackets in your current proposal(s), the largest target is for approximately 45% of the total to be "above moderate income" housing. This figure is far higher than the actual need. Thus, I ask that you consider reducing the 45% to 20%, with corresponding increases in the targets for low-income and moderate-income housing.

Sincerely and respectfully,

Raymond H. Goldstone

Los Angeles, CA 90025-5943

From: Steve Rogers [REDACTED]
Sent: Saturday, August 31, 2019 7:02 PM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment - REVISED COMMENT

Dear Southern California Association of Governments,

I have just noticed a typo in the second bullet point of my email earlier today. I would therefore like to submit the following corrected comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG’s original RHNA of 430,000 units by 2029 and reject HCD’s hugely-inflated 1.3 million determination**

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build “3.5 million homes by 2025”. But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here’s why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California’s housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California’s demographics and housing formations are vastly different than New York’s.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. Please take the time to read it here: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD’s own forecast) indicate that California’s additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD’s latest 1.3 million determination. In other words, SCAG’s original RHNA of 430,000 is probably just about right.

- **With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations**

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- **Increase targets for low and moderate-income housing, reduce luxury housing targets**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Stephen Rogers
Los Angeles, CA 90064

[REDACTED]

From: Susan Ashbrook [REDACTED]
Sent: Tuesday, September 3, 2019 6:08 AM
To: Regional Housing
Subject: 6th Cycle Regional Housing Needs Assessment

Dear Southern California Association of Governments,

I submit the following comments and suggestions on the 6th Cycle RHNA for our region:

- **Please revert to SCAG’s original RHNA of 430,000 units by 2029 and reject HCD’s hugely-inflated 1.3 million determination**

The Department of Housing and Community Development (HCD) has recently determined a minimum 6th Cycle housing need for the SCAG region of over 1.3 million units. I believe that the HCD determination greatly overstates the actual housing needs of our region. It is a political reaction to the accepted wisdom in Sacramento that California needs to build “3.5 million homes by 2025”. But this oft-quoted number (which has been relentlessly promoted by pro-developer special interest lobbyists) has no basis in reality. Here’s why:

The 3.5 million figure originates from a 2016 report by McKinsey & Company, which argued that California’s housing goal should be to equal the housing-units-per-capita of New York State. This makes no sense because California’s demographics and housing formations are vastly different than New York’s.

A recent report by the Embarcadero Institute exposes the fundamental flaws in the McKinsey model. Please take the time to read it here: <https://embarcaderoinstitute.com/wp-content/uploads/2019/07/Californias-3.5M-Housing-Shortage-Number-Faces-Questions.pdf>

More sensible and realistic models (including HCD’s own forecast) indicate that California’s additional housing need by 2025 is around 1.1 million - less than a third of the mythical 3.5 million number that underpins current State housing policy.

It follows that the real housing need number for the SCAG region is less than a third of the HCD’s latest 1.3 million determination. In other words, SCAG’s original RHNA of 430,000 is probably just about right.

- **With a realistic RHNA figure in-place, please use proposed Methodology 1 to determine housing needs allocations**

A key component of housing needs allocation for our region must be use of local inputs. This basic requirement rules out your proposed Methodology 2.

Of the remaining two options, Methodology 1 appears to offer the most reasonable and appropriate way to calculate housing allocations by city.

- **Increase targets for low and moderate-income housing, reduce luxury housing targets**

The most urgent housing issues facing our region are homelessness and affordability. While developers seem most interested in building market-rate (aka luxury) housing, the real need is surely for low and moderate income housing. And it is important that the breakdown of RHNA totals for each city by income bracket reflect this need.

Of the four income brackets in your current methodology proposals, the largest target is set for “above moderate income” housing, at around 45% of the total. This figure is way too high. Please consider reducing this to around 20%, with corresponding increases in the targets for low and moderate income housing.

Respectfully,

Susan Ashbrook
Los Angeles, 90064

Regional Housing

From: SUSAN HORN <[REDACTED]>
Sent: Wednesday, September 4, 2019 8:06 AM
To: Regional Housing
Subject: Increased housing density

I am opposed to the increase of density that is now being proposed. It should remain at the amount already approved for 2029. Our areas cannot handle the increase on infrastructure that the 1.2 million new homes statewide would bring about. Our canyon roads cannot handle the volume we have now. The whole westside is in gridlock and the traffic pattern lines are getting more and more blurred. Our public services including police and utilities are already taxed to the limit.

Sincerely,
Susan Horn
Beverly Hills Post Office 90210

Sent from my iPad

Regional Housing

From: Tracy St. Claire [REDACTED]
Sent: Tuesday, September 3, 2019 9:10 PM
To: Regional Housing
Subject: Low cost housing concerns

To whom it may concern:

I am a resident of Chino, as well as a teacher. The increase in demand of low cost housing concerns me as a citizen of this community. We do not have the infrastructure in roads or schools to support such a increased number of housing demands.

Additionally, the effects of this scare me as a new home owner who worked hard to secure a house. How will this affect the value of the homes in our community? I can't imagine it'll help.

Please reconsider and come up with a reasonable number.

Tracy StClaire
[REDACTED]
Chino, CA 91710

Sent from my iPhone

Regional Housing

From: valerie brucker [REDACTED]
Sent: Wednesday, September 4, 2019 2:10 PM
To: Regional Housing
Subject: Housing Bill

NO NO NO. I am quite sure your neighborhood is not going to have to deal wth this

Of course we need more housing; but that is not a good enough reason to absolutely RUIN these neighborhoods.

There are already many neighborhoods that are in transition, why continue to attempt an urbanization of these neighborhoods that house people who have lived here for many years/

Between the advertising signs and this idea for housing, you obviously not live in one of these areas.

Shame



CITY *of* CALABASAS

September 4, 2019

Honorable Peggy Huang, Chair
Community, Economic and Human Development Policy Committee
Regional Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Blvd., Suite 1700
Los Angeles, CA 90017
housing@scag.ca.gov

Subject: Draft Regional Housing Needs Assessment (RHNA) Methodology Options

The City of Calabasas appreciates the opportunity to provide these comments on the proposed methodologies for the draft regional housing needs assessment (RHNA) for your consideration. The City looks forward to further regional cooperation regarding how best it and the other cities and counties in the SCAG region can work together to cooperatively improve the availability of affordable, safe housing reasonably sited in each jurisdiction reflecting each community's safety, character, applicable development constraints and hazards, and needs.

NATURAL LIMITATIONS ON DEVELOPMENT. First, as the past few years have made painfully clear, there is a substantial state and local interest in reducing and mitigating residential exposure to fire risk. The entirety of Calabasas is mapped within a very high fire hazard severity zone. Many cities in Southern California, and indeed across the state, are similarly situated – with existing vulnerable communities in higher fire risk areas.

Further, many jurisdictions are dealing with escalating construction costs to replace structures lost to fires. Calabasas, in particular, has faced substantial obstacles rebuilding after the recent Woolsey and Thomas fires. Costs are heightened when building in very high fire hazard severity zones, which makes it challenging to supply very low, low and moderate-income housing. Further, the proposed methodologies don't account for the strain on resources that communities damaged by federally-declared disasters face. Impacted jurisdictions should be allowed to prioritize rebuilding existing communities rather than generating new housing stock. Compelling additional development and significant numbers of additional residents (who will then become additional evacuees) into higher fire risk jurisdictions with no analysis of each jurisdiction's ability to serve those additional residents, to defend those additional structures and homes from the next wildfire, and to protect their community is the height of paper planning folly – is entirely divorced from reality.

Similarly, none of SCAG's three proposed RNHA methodologies consider or account for differing topography amongst local jurisdictions. The City of Calabasas is severely constrained by difficult topography and the fact that the City's General Plan, and applicable state laws, restrict grading and development on hillsides and significant ridgelines. Calabasas contains two protected park areas that belong to the Santa Monica Mountains Conservancy and California State Parks, respectively. Additionally, the City is home to two mapped wildlife corridors, one of which is being considered for a \$87 million wildlife protection bridge, numerous identified endangered species habitats, and archeological resources that further limit development. The County of Los Angeles faces similar concerns, which it addresses by restricting housing development within the Santa Monica North Area Plan. Unlike the County, Calabasas is a small City without the luxury of selecting areas outside of resource-protected zones to accommodate growth. The City strongly urges SCAG to revise the proposed RHNA allocation methodologies to consider fire risk, open space preservation requirements, environmental resource protections, appropriate mitigation methods, and the resulting limited true development potential.

ALLOCATION METHODOLOGIES – OPTION 3 IS BEST. Next, we understand that the first and third proposed methodologies allocate projected housing need based, in part, on jurisdictions' historic growth trends and replacement need. The City appreciates that SCAG's proposed methodologies adhere to historic growth patterns, instead of dividing estimated future housing need solely based on relative population shares. This best represents local conditions and sets a realistic goal for future development. However, this approach needs to be applied with clear recognition that any city with very low

population growth over the past several decades cannot be expected to be the relief valve for Southern California's pent-up development pressures. Among the three options, the City recommends further consideration of Option 3, because this option best accounts for local estimated household growth. We would welcome an approach that applies Option 3, preferably with further refinement to account for the local fire risk, topography, environmental constraints, and open space preservation factors discussed above, and to account for a City's limited growth patterns.

The first and second proposed methodologies allocate a substantial portion of the total RHNA numbers based on the proportion of the jurisdiction's population compared to the SCAG region. SCAG would be better served by, at the least, including consideration of historic growth patterns in this determination. Each jurisdiction's local conditions allow or restrict future development. Calabasas has fire-risk related, natural, geographic, climatic, topographical, and state-mandated limitations on further development opportunities. These factors are implicitly recognized in historic growth patterns, but are not reflected by merely comparing total population. Failing to account for these factors, as in Options 1 & 2, leaves the analysis incomplete. Further, failing to account for local input regarding historic growth patterns, as in Option 2, violates the statutory requirement to consider local input from each City as part of the RHNA process. (Gov't Code, § 65584.04, subd. (b)(4).) The City urges SCAG to adopt an approach based in historic growth more broadly, instead of using generic regional growth factors or relying on the jurisdiction's share of regional population.

SOCIAL EQUITY MULTIPLIER. The City also questions the use of a 150 percent social equity multiplier to increase future housing need allocations in Option 1 and to increase all allocations in Options 2 & 3. The City acknowledges that the 110 percent social equity multiplier supports important goals – namely mitigating the overconcentration of income categories in certain areas. However, the 150 percent multiplier is untenable. It applies a top-down approach to mandate additional housing at certain income levels in certain areas, with no recognition of legitimate constraints on local development opportunities. The City questions the proposed 150% adjustment rate as excessive, divorced from statutory requirements, and out of alignment with the housing market. The Government Code does not require, nor does it contemplate, a 150% social equity adjustment factor. SCAG's analysis does not demonstrate why this method is appropriate, required, or even would serve to actually promote additional affordable housing development, rather than simply as a paper planning exercise. Market conditions – not zoning – are the significant constraint on very low, low and moderate-income housing in jurisdictions with higher

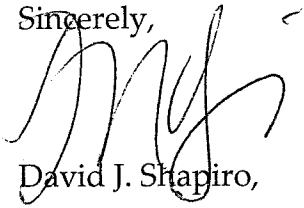
average incomes and higher land values. Such a substantial social equity adjustment will force jurisdictions to take actions to bolster types of housing not supported by the market, without sufficient funding to support affordable housing. This will not actually result in additional affordable housing being built. Instead, it will likely further constrain an already under-performing housing market and result in substantially fewer new housing units overall – not just in Calabasas, but throughout the entire SCAG region.

VACANCY RATES. The City understands and agrees that destroyed housing units are accounted for and replaced within the proposed methodologies, as is appropriate to determine existing need. However, SCAG has failed to account for a significant threat to losing existing housing units – short-term rentals. Web-based short term rental markets have greatly expanded this type of use. The outcome is the transition of properties away from permanent housing, a result not reflected in the proposed methodologies. Other cities throughout SCAG’s jurisdiction have enacted short-term rental regulations, either supporting or restricting the transition of housing into short-term rentals. We recommend SCAG take these local efforts into account, adjusting existing need allocated to cities based on their regulatory efforts, requiring additional units to be located in those cities who have chosen to permit short-term rentals, reflecting the consequence of that decision is the removal from the market of long-term housing units at all income levels.

CONCLUSION. In closing, the City thanks the Chair and Committee in advance for your consideration of the comments included here. The City believes strongly in the need to provide safe, affordable, livable housing for its residents and for the region. This goal is best accomplished if SCAG, the City, and all our regional partners work together to assess and allocate fair shares of regional housing needs based on local conditions, including local fire risk, open space and environmental preservation goals and requirements, and hazards. SCAG must also consider historic development patterns and local input from each City regarding its growth projections, in its calculation of existing and projected future housing need. It should consider other local factors that limit dense development, particularly geography, topography, climate, existing state and other legal restrictions on development (e.g. the prevalence of endangered species), and other local realities. This should include the strain placed on resources both by significant fire risk and the process of rebuilding after a fire event. It should consider other regulatory factors that affect existing housing supply and future housing development, including short-term rentals. Finally, SCAG should utilize all available localized data, including on vacancy rates, instead of relying on statewide data that misrepresents local conditions.

The City believes the goals of the regional housing needs assessment are best accomplished by Option 3, with further refinement to fully account for the comments described above. Again, I appreciate your consideration and am available if you have additional questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Shapiro', written over the printed name 'David J. Shapiro'.

David J. Shapiro,

Mayor

City of Calabasas