



CITY OF YORBA LINDA

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February 19, 2020

Honorable Peggy Huang, Chair
Community, Economic and Human Development Policy Committee and Regional
Housing Needs Assessment Subcommittee
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017

Subject: Regional Housing Needs Assessment (RHNA) Comments

Dear Chair Huang:

I am writing to express our concerns and opposition to the action taken by the Regional Council of the Southern California Association of Governments (SCAG) on November 7, 2019, approving, through a substitute motion, an alternative Regional Housing Needs Assessment (RHNA) methodology that shifted approximately 75,000 additional housing units into Orange County. For the City of Yorba Linda, this represents more than a 1,000% increase above the SCAG staff recommended methodology. We recognize the challenge of establishing an equitable methodology to redistribute 1.34 million housing units among 197 jurisdictions; however, the decision to cast aside the last year-and-a-half of cooperative input and progress and to move forward with an unvetted and unclear RHNA methodology without the benefit of input from all stakeholders is truly disappointing to say the least. As a long-standing member of SCAG, we expect better.

We recognize that the regional determination of 1.34 million housing units is the primary reason for such a high RHNA amongst all jurisdictions. We acknowledge that SCAG has already objected to the State Department of Housing and Community Development (HCD) on the regional determination; however, we urge SCAG to continue to demand that HCD adhere to state housing law as follows:

“If the total regional population forecast for the projection year, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 1.5 percent of the total regional population forecast for the projection year by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region....” [Gov. Code § 65584.01(a)]

This sets a dangerous precedent not only for SCAG but other metropolitan planning organizations across the State to have their projections cast aside capriciously in pursuit of political agendas and not based in fact. Additionally, the Department of Finance

recently updated its population projections, which show a significant decrease since their previous forecast. Furthermore, Governor Newsom has even stated that his commitment to building 3.5 million homes by 2025 was a “stretch goal” and that the state would soon be releasing a more pragmatic estimate of the housing needs by region. The regional determination of 1.34 million housing units is therefore not only unsupported by statute, it is not a feasible allocation given recent housing projections. This overestimated regional determination combined with an inequitable RHNA methodology are setting up local jurisdictions for failure to comply with state housing law.

In addition to the concerns cited above, the City also raises the following three recommendations related to a refinement of the RHNA methodology:

- 1) **Include household growth as a factor for the existing need.** As we have stated in previous comment letters to SCAG on the RHNA methodology, it is absolutely critical that local input be utilized in the development of the RHNA methodology. Every jurisdiction has its own unique characteristics and a one-size-fits-all approach to RHNA would have a devastating impact on the character of each of these jurisdictions. Government Code Section 65584.04(e) specifically states that “to the extent that sufficient data is available from local governments...each council of governments...shall include the following factors to develop the methodology that allocates regional housing needs.” Therefore, ignoring local input in the existing need portion of the RHNA methodology would not only be inappropriate, but would be contrary to state housing law.

Local input also ensures consistency between the RHNA and the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) (referred to by SCAG as Connect SoCal) as required by Government Code Section 65584.04(m). As currently proposed, the RHNA would not be consistent with the development patterns proposed in the draft Connect SoCal Plan and its Program Environmental Impact Report (PEIR). For example, Connect SoCal projects approximately 900 households to be formed over the next **25 years** in the City of Yorba Linda; however, the RHNA assigns 2,410 housing units for the **eight-year** planning period (2021-2029) for the RHNA.

Furthermore, according to the 2019 Department of Finance Population and Housing Estimates, the City of Yorba Linda has 861 vacant housing units (3.6% vacancy rate). The City could easily accommodate the projected household growth of 250 households over the eight-year RHNA period through its existing vacant housing units and still have over 600 vacant housing units available without constructing any additional housing units. In other words, the proposed RHNA would essentially require the City to construct an additional 2,410 housing units plus utilize its 861 vacant housing units (a total of 3,271 housing units) to accommodate a projected population growth of 1,644 people and a projected household growth of 250 households for the eight-year RHNA period. This is in direct conflict with Government Code Section 65080(b)(2)(B) and Government

Code Section 65584.04(m) that require that Connect SoCal and RHNA be consistent with one another. Ironically, it is actually the SCAG staff recommended RHNA methodology from November 7, 2019, that much more closely aligns with the growth forecast and development pattern found within the Connect SoCal Plan.

The alternative methodology submitted to HCD only uses local input to determine a jurisdiction's **projected** housing need; however, the **existing** need is primarily calculated based on a jurisdiction's proximity to jobs and transit. Implementing a one-size-fits-all methodology to account for the entirety of existing need for a jurisdiction's RHNA is not equitable and is contrary to the RHNA objective found in Government Code Section 65584(d)(1).

Therefore, we support the February 4, 2020, request from the City of Cerritos to reintroduce a component of household growth forecasts back into the calculations for the existing need as follows: household growth (33.3%), job accessibility (33.3%), and population within high quality transit areas (33.3%).

- 2) **Include a credit for jurisdictions that have been building housing units during the 4th and 5th RHNA cycles.** On page 1 of SCAG's RHNA Methodology it states, "There is no question that there is an ongoing crisis throughout the State of California. The crisis is evidenced by a variety of factors, including overcrowding and cost-burdened households, **but the underlying cause is due to insufficient housing supply despite continuing population growth over decades.**" If the biggest problem with this housing crisis is an insufficient supply of housing despite population growth, the City requests that an equitable factor should be added to the RHNA methodology to include a credit to jurisdictions that have been building housing, or have made significant progress towards meeting their 5th Cycle RHNA. The City of Yorba Linda has exceeded its total aggregate obligation of 669 housing units by permitting over 900 housing units, including 136 lower-income housing units. Furthermore, in June 2019, the City also approved a 48-unit extremely low-, very low- and low-income multi-family senior apartment project.
- 3) **Remove the requirement that redistributed units from residual need would remain within the county of origin.** One of the factors of the existing need is a jurisdiction's share of jobs accessible within a 30-minute drive irrespective of county jurisdictional boundaries; however, the redistribution of the residual need from disadvantaged communities (DAC) then takes the "residual" share of population within an HQTAs and share of access to jobs from DACs and redistributes those shares within county boundaries. Orange County has five DACs resulting in a residual need of approximately 45,000 housing units. Each of those five DACs has jobs accessible via 30-minute commute that are located outside of Orange County. Furthermore, each of those DACs also has a significant share of the population within HQTAs. As proposed, the existing need methodology will actually move a significant portion of that existing need for jobs and transit to parts of the county that are farther from jobs and transit. Therefore, we recommend

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either removing the requirement in the redistribution of the residual that keeps these units within the county of origin, or alternatively, the calculator could be revised to only calculate the number of jobs within a 30-minute drive located within the county boundary.

The City recognizes and appreciates the time and effort provided by everyone on this important and complex issue and for your consideration of these items. Please let us know if you need any additional clarification or have any questions by contacting Nate Farnsworth, Planning Manager, at (714) 961-7131 or nfarnsworth@yorbalingaca.gov.

Sincerely,



David Brantley
Community Development Director

cc: Yorba Linda City Council
Mark Pulone, City Manager
Nate Farnsworth, Planning Manager