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August 1, 2019

Ben Metcalf Director California Department of Housing and Community Development 2020 West El Camino Avenue Sacramento, CA 95833

Re: SCAG Regional Housing Needs Assessment

Dear Director Metcalf,

On behalf of People for Housing OC, a grassroots, pro-housing non-profit organization in Orange County, we are writing to request that the Department of Housing and Community Development find that the regional housing need for the region covered by the Southern California Association of Governments (SCAG) for the next 8 year planning cycle is approximately 2.7 million.

People for Housing OC is part of the YIMBY (Yes in my backyard) movement comprised of Orange County residents concerned about the shortage of homes and rising housing costs in our communities. We have organized to advocate for policies that will enable more housing production in Orange County to address the affordability crisis currently gripping communities throughout California. By making housing more abundant, California can reduce housing costs, providing essential housing for our low and moderate income residents.

We have significant concerns about the methodology employed by SCAG in the preparation of the Regional Housing Needs Assessment (RHNA) estimates. We believe it does not sufficiently take into account the percentage of rent burdened households in the SCAG Region as required under SB 828 and therefore underestimates the true housing need.

According to a <u>recent Harvard study</u>, 46% of all residents in Los Angeles and Orange Counties spend 30% or more of their income on housing costs. The burden is most severe for renters; nearly one third (31%) of renters in Los Angeles and Orange counties pay half or more of their income on rent. This same study concluded that the Los Angeles and Orange County region is the most housing cost burdened in the nation.

High housing costs are a direct result of the statewide housing shortage. Like most of Coastal California, Orange County communities have long resisted housing growth, particularly multifamily and denser development, which can make housing more affordable to low and moderate income residents. The Orange County Business Council's 2019-2020 Workforce Housing Scorecard estimates that Orange County is currently short 58,000 homes across the full income spectrum. OCBC projects this shortage to nearly double to 114,031 by 2045. Separately, the California Housing Partnership estimates that Orange County needs 111,996 more affordable rental homes to meet current demand as of May 2019.

Given these estimates of the housing shortage in Orange County and our region's severe cost burden, we find both of <u>SCAG's currently proposed calculations of total housing need</u> – 529K (p. 53, Illustration 1) or even 1.1M (p. 53, Illustration 2)— implausible for the entire six (6) county SCAG Region. Although SB 828 requires councils of governments to consider cost burden in their methodology for estimating regional housing need, SCAG opted not to do so. We therefore urge you to make a finding for the SCAG region's housing need to be in line with the estimate and methodology proposed by our colleagues at Abundant Housing LA and California YIMBY – 2.7 million.

Because cities' individual RHNA numbers dictate planning within their required Housing Elements and implemented in their zoned housing capacity, it is critical that local governments in Orange County receive RHNA numbers that truly reflect the need for housing within their planning jurisdictions. Communities in Orange County cannot continue to offload our unmet housing need to the Inland Empire. This (anti) growth strategy further exacerbates traffic gridlock, increases GHG emissions and air pollution, and degrades the quality of life for Orange County's workforce.

People need affordable places to live in the same communities where they work. Cities' housing planning should seek to eliminate both housing cost burden and super-commutes by creating new housing options in equal measure with job opportunities. RHNA provides both the goal and the accountability needed to ensure every city does its part, which is why this regional estimate is so important. We urge you to give Orange County cities RHNA housing targets that reflect the severity of the housing shortage and the urgency of the need.

Sincerely,

Elizabeth Hansburg

Co-Founder & Director

Kenneth Stahl
Policy Director