



CITY OF YORBA LINDA

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OFFICE OF THE MAYOR

August 20, 2019

Honorable Peggy Huang, Chair
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) Methodology Options

Honorable Chair Huang and Honorable Members of the Regional Housing Needs Assessment (RHNA) Subcommittee:

The City of Yorba Linda again expresses thanks to the RHNA Subcommittee, CEHD Policy Committee, Regional Council, and SCAG staff for their efforts in attempting to establish an equitable RHNA that complies with new state housing law and addresses the state's housing crisis. The City appreciates the Regional Council's decision to release the three RHNA methodology options for consideration during this public comment period. We also appreciate SCAG staff for working with the Orange County Council of Governments (OCCOG) to host a public meeting in Orange County during the comment period.

The City remains committed to doing its part in helping with this challenge and has been acting in good faith throughout the 5th RHNA cycle to provide the appropriate zoning tools to accommodate its RHNA obligation. During the 5th RHNA cycle, the City of Yorba Linda has constructed approximately 940 housing units, including 136 low and very low income housing units. In June 2019, the City also approved a 48-unit extremely low, very low and low income multi-family senior apartment project. The City of Yorba Linda had acquired this property in 2002 and identified the site as a potential affordable housing location when the Yorba Linda Redevelopment Agency acquired the property in 2008 with Low-Moderate Income Housing Funds.

After careful review of the three methodology options, we offer the following comments:

- 1) It is absolutely critical that local data 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.

As we stated in our letter dated May 29, 2019, our land inventory has been significantly reduced over the past two RHNA cycles and it is becoming increasingly difficult to find eligible undeveloped or underutilized land within the City. Although the City is diligently striving to do its part in addressing the housing crisis, the City is extremely concerned with any methodology that ignores local input. Representatives of 197 local jurisdictions throughout the SCAG region, partnering with Councils of Governments (COGs), California Traffic Commissions (CTCs), a wide variety of stakeholder groups, and the general public, have spent over 1.5 years and countless hours reviewing, analyzing, and

commenting on various datasets, maps, and surveys through the Bottom-Up Local Input and Envisioning Process for the 2020 Regional Transportation Plan and Sustainable Communities Strategy and RHNA.

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 RHNA methodology would not only be inappropriate, but would be contrary to state housing law.

- 2) Every jurisdiction should be obligated to provide for its own projected housing need at a minimum. Under certain options, some jurisdictions would receive a total RHNA (projected need plus existing need) significantly lower than even its own projected housing need. This would result in other jurisdictions being obligated to plan for that jurisdiction’s projected housing need plus its own housing need plus its share of the region’s existing housing need. This must be fixed in the methodology in order to create an equitable solution.
- 3) The City recommends that SCAG does not adopt a RHNA methodology until after HCD provides the regional determination. Adoption of a methodology prior to the adoption of a regional determination would not allow the jurisdictions, SCAG, and the public to properly assess potential unintended effects on jurisdictions throughout the region.
- 4) Option 1 only uses local input to determine a jurisdiction’s **projected** housing need; however, the **existing** need is primarily calculated based on a jurisdiction’s existing population. This seems to assume that the existing need (i.e., overcrowding rates, vacancy rates, and cost-burdened households) is consistent throughout the SCAG region within every jurisdiction; however, the data for each of these factors clearly shows that this is not accurate. For example, SCAG’s data demonstrates that the City of Yorba Linda has an overcrowding rate of 2.1% while the entire SCAG region has an overcrowding rate of 9.8%. Therefore, implementing a one-size-fits-all methodology to account for 70% of a jurisdiction’s existing need based solely on its share of the regional population is not equitable and is contrary to the RHNA objective found in Government Code Section 65584(d)(1). This option would be more appropriate if it were based on population growth rates similar to Option 3.

Another concern with Option 1 is related to the proposed social equity adjustment factor and its removal of the above moderate income category. One of the major problems with the removal of this income category is that it limits potential future housing stock planning and construction for lower income households to move into as their socioeconomic situation improves, which would be contrary to affirmatively furthering fair housing as outlined in Government Code Section 65584(d)(5). Furthermore, this social equity adjustment factor would not comply with Government Code Section 65584(d)(4) in that it would actually allocate greater proportions of housing need to lower income categories within jurisdictions that already have a disproportionately high share of households in that income category.

The removal of the above moderate income category will also have numerous significant unintended consequences within jurisdictions, especially when recent housing law is taken into consideration, including, but not limited to the following:

- AB 1397 significantly restricts what sites are eligible to be used for planning purposes by requiring that the land must have realistic capacity for housing development. In other words, a jurisdiction could rezone every single developed parcel of land for high-density housing and still not have enough eligible properties for its RHNA obligation because those parcels don't have the realistic capacity for redevelopment. In order to get its updated housing element approved, a jurisdiction will have to demonstrate to HCD where those housing units can be constructed.
- SB 166 requires that jurisdictions continually update their housing elements as new permits are issued to ensure that their housing elements always identify enough sites for potential development to meet their assigned goals for housing in the different income categories (also referred to as "no net loss"). This will result in most jurisdictions having to rezone additional properties above and beyond their RHNA obligation for affordable housing purposes to ensure that there will be sufficient eligible sites in cases where a property owner decides to develop at a lower density than the maximum for which the zone may allow. Furthermore, it is common for private developers to propose projects that are lower than the maximum densities allowed due to land development economics, market preference, etc.
- SB 35 states that if a jurisdiction has not constructed its pro-rata share of above moderate housing from its RHNA obligation, the jurisdiction is required to approve by right any housing development that includes 10% affordability. Combined with the previously mentioned housing laws, if a property owner desires to develop a parcel at less than the maximum density allowed in the zone and proposes 10% affordability within the project, the jurisdiction would be obligated to approve the development and would then have to find additional eligible housing sites with realistic capacity for development to accommodate the shortfall from the development not constructing at maximum density.
- Finally, if jurisdictions are unable to identify sufficient housing sites, AB 101/SB 102 would impose significant fines (ranging from \$10,000 - \$600,000 per month) on jurisdictions that cannot meet their RHNA obligation.

Within this option, the City does support the concept of planning for housing in High Quality Transit Areas (HQTAs), as this meets the RHNA objectives found in Government Code 65584(d)(2) and (3).

- 5) The City is adamantly opposed to Option 2 as it completely ignores the local input process. Option 2 bases housing need solely on a jurisdiction's population. Since there is no direct correlation between current population and housing need, this methodology would assign larger jurisdictions with a higher housing need simply because the jurisdiction has a large existing population. Furthermore, this option would unfairly punish jurisdictions that do not have a sufficient number of housing sites that would qualify under AB 1397. A jurisdiction's inability to identify enough housing sites within its housing element raises the same concerns discussed under Option 1.

Option 2 also does not account for the unique conditions and circumstances within each jurisdiction and is contrary to Government Code 65584(d)(2) in that it does not take into

consideration protecting environmental and agricultural resources, encouraging efficient development patterns, nor addressing ways to achieve the region's greenhouse gas reduction targets. Therefore, Option 2 will likely result in the greatest number of appeals to the RHNA.

Option 2 is also contrary to Government Code 65584(d)(3) in that it does not improve the intraregional relationship between jobs and housing and would require more housing in larger jurisdictions regardless of whether there is already an imbalance between jobs and housing. Moreover, the State legislature determined that "insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals" [see Government Code Section 65584(a)(3)]. Yorba Linda has approximately 17,400 jobs and over 23,000 housing units (approximately 0.76 jobs to housing ratio). Under Option 2, the City's jobs to housing ratio could be reduced to as much as 0.65.

Finally, even with the lowest regional determination from HCD, Option 2 would place unattainable RHNA obligations upon the City for a variety of factors that were previously outlined as areas of concern in our RHNA Methodology Local Planning Factor Survey (see attached). Pursuant to Government Code Section 65584.04(e), there are 12 factors that should be used in developing the RHNA methodology. This option essentially ignores all 12 planning factors.

- 6) The City supports the concept of using population growth rates as a component of the RHNA methodology as this preserves the integrity of the local input process. The City would also support including other local planning factors such as planning for housing near existing and projected HQTAs and job centers as outlined in Government Code Section 65584.04(e), and accounting for recent building activity. The City would also prefer the 150% social equity adjustment factor across all income categories from Option 3 over the 110% social equity adjustment factor and removal of the above moderate income category from Option 1. These are all principles that meet the RHNA objectives outlined in Government Code Section 65584.
- 7) Has SCAG considered the methodology for redistributing housing units successfully appealed? For example, will jurisdictions that successfully file an appeal to their RHNA be exempt from receiving additional housing units successfully appealed by other jurisdictions in the region?

In conclusion, the City of Yorba Linda implores SCAG to preserve the integrity of the local input process in establishing any RHNA methodology. Ignoring local input would be disastrous to many jurisdictions throughout the region and will result in many jurisdictions being unable to obtain a certified housing element. The City believes that Option 3 most appropriately utilizes local input among the three options; however, this option could be enhanced by including a component that encourages growth in HQTAs and job centers, and recognizes the efforts of jurisdictions that have been building housing. If SCAG proposes a new methodology or some hybrid of the proposed methodologies, the City requests that SCAG provide additional opportunity for public comment and review.

The City strongly encourages SCAG to provide a presentation to the RHNA Subcommittee, CEHD Policy Committee, and the Regional Council regarding state housing law with which local jurisdictions are obligated to comply. It is imperative that these elected officials clearly understand how jurisdictions will be impacted by their potential inability to plan for an

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unreasonable RHNA obligation. The City also strongly encourages SCAG to outline the appeals and redistribution process.

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, Principal Planner, at (714) 961-7131 or nfarnsworth@yorbalingaca.gov.

Sincerely,



Tara Campbell
Mayor

cc: SCAG Regional Housing Needs Assessment Subcommittee
Kome Ajise, SCAG Director of Planning
Yorba Linda City Council
Mark Pulone, City Manager
David Brantley, Community Development Director
Nate Farnsworth, Principal Planner

Attachments:

- 1) City of Yorba Linda Planning Factors Survey

RHNA Methodology Local Planning Factor Survey

Jurisdiction	Yorba Linda
County	Orange

Planning Factor	Impact on Jurisdiction
Existing and projected jobs and housing relationship, particularly low-wage jobs and affordable housing	<p>Yes - According to the 2016 Orange County Projections (OCP), the City has over 23,000 housing units and approximately 17,400 jobs. Therefore, the City has significantly more housing units than jobs. The City believes that SCAG has more data from other sources to better evaluate these jobs-housing relationships. However, it is important to note that the City does not have any major job centers. Given the State's finding that "insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals" [see Government Code Section 65584(a)(3)], this factor could potentially have an impact on the City.</p>
Lack of capacity for sewer or water service due to decisions made outside of the jurisdiction's control	<p>Yes - Subdivisions, redevelopment, and ADUs on properties with septic systems are required to connect to the sewer per requirements of the Santa Ana Regional Water Quality Board. In fact, Yorba Linda has the highest concentration of septic systems (nearly 30%) of all septic systems within Orange County. Converting from septic to sewer is a significant cost that often prevents property owners from subdividing, redeveloping or adding ADUs onto their properties.</p>
Availability of land suitable for urban development	<p>Yes - The majority of land suitable for urban development in the City of Yorba Linda has already been developed and the City is nearing build-out conditions. As of today, there are approximately 15 vacant properties (totaling less than 10 acres) remaining in the City that have not been developed, entitled, or are in the process of entitlement that are available for urban development. The majority of these properties are undeveloped single-family parcels averaging approximately 0.5 acres in size. The only remaining large vacant or underutilized property a 26-acre vacant parcel that is restricted through a development agreement for public use purposes. Over the past housing cycle, the City has either constructed or entitled urban development on nearly 80 acres of vacant or underutilized properties.</p>

<p>Lands protected from development under Federal or State programs</p>	<p>Yes - Chino Hills State Park takes up approximately 1,500 acres of open space within the City boundary. Furthermore, Featherly Regional Park takes up more than 600 acres of open space within the City boundary. Development of any of these properties would necessitate action by the State or the County to unenroll this dedicated parkland from its restricted use.</p>
<p>County policies to preserve agricultural land</p>	<p>No - There are no known County agricultural lands located within the City's jurisdictional boundary and no known County policies within the City to preserve agricultural land. As stated above, the County has regional parkland within the City's jurisdictional boundary, which is a factor that should be considered in the RHNA methodology.</p>
<p>Distribution of household growth assumed for regional transportation planning and opportunities to maximize use of public transportation</p>	<p>Yes - The Orange County Transportation Authority (OCTA) operates local public transit routes that extend into and through portions of Yorba Linda. The 2016 OCTA Bus Service Plan revised bus service in order to address the decline in bus ridership and revenue. The revised plan eliminated two bus routes in Yorba Linda (Lines 20 and 26). Following this change, there will be three bus routes that serve areas in close proximity to the City limit (with only two lines actually entering into the City). The Inland Empire/OC Metrolink line runs east to west just south of Yorba Linda with the nearest station stop located in Anaheim Canyon. Moreover, there is no vacant or underutilized land located within 1/2 mile of any public transit. Unless OCTA changes its Bus Service Plan, the majority of any new housing units built in the City would likely not be serviced by public transportation services.</p> <p>The City is also concerned that the Regional Transportation Plan should be used as a planning factor. This is because planning for housing growth in jurisdictions without the transportation plan in place to support that housing is detrimental to transit-oriented development principles. Furthermore, this would promote the State's objective of RHNA to "encourage efficient development patterns, and the achievement of the region's greenhouse gas reductions targets" (see Government Code Section 65584(d)(2)).</p>
<p>Agreements between a county and cities to direct growth to incorporated areas of the county</p>	<p>No - However, Orange County Local Formation Commission (OC-LAFCO) has had a long-standing policy discouraging the creation of "unincorporated islands."</p>

<p>Loss of low income units through contract expirations</p>	<p>No - Staff if not aware of any low income units with any upcoming contract expirations in the near future.</p>
<p>[NEW] Percentage of households that pay more than 30% and more than 50% of their income on rent</p>	<p>The City does not track percentage of household income used for rental purposes. The City believes that SCAG has more data and resources to evaluate this planning factor. However, the City is concerned with the appropriateness of utilizing this standard in the RHNA methodology. This is based on a HUD standard that does not seem to appropriately fit many California communities. Furthermore, throughout the SCAG region, the cost of living varies significantly among counties and even within counties. This standard, if used, should be adjusted to take into account high cost regions.</p>
<p>[NEW] Rate of overcrowding</p>	<p>Although the 2018 Department of Finance figures show an average of 3.04 persons per household in Yorba Linda, the City does not track the number of occupants per dwelling unit. The City is concerned that the definition of "overcrowding" has not been clearly established. Therefore, any jurisdictional responses to this question would not be an accurate comparison. The City recommends that SCAG determine a consistent and perhaps more appropriate definition of overcrowding rather than using the US Census definition of one person per room. The current Census definition would determine that a married couple in a studio apartment would be overcrowded or that a family of six would be overcrowded if living in a three bedroom home. Neither of these are extreme examples but would constitute overcrowding under the current Census definition.</p>
<p>Farmworker housing needs</p>	<p>No - In their 2012 RHNA Existing Needs Statement, SCAG identified just 31 Yorba Linda residents employed in the industries of farming, fishing or forestry, representing 0.1 percent of the City's labor force. Yorba Linda retains some limited land dedicated to agricultural production. Therefore, given the extremely limited presence of farmworkers in the community, the City has no specialized housing programs targeted to this group beyond overall programs for housing affordability.</p>

<p>Housing needs generated by the presence of a university campus within the jurisdiction</p>	<p>No - The City of Yorba Linda does not have a university campus located within the jurisdiction. Furthermore, the closest university campuses (Cal State University - Fullerton and Chapman University in Orange) are not located close enough to the City's jurisdictional boundary to generate the need to provide university housing for students. The City does recognize that some students at these universities and other Southern California universities and college campuses likely reside in the City; however, in most cases, these students are living at home with their families.</p>
<p>[NEW] Loss of units during a declared state of emergency that have yet to rebuilt at the time of this survey</p>	<p>Yes - In 2008, the Freeway Complex Fire was a declared state of emergency by Governor Arnold Schwarzenegger. The fire completely burned 123 homes and partially burned 82 homes in the City of Yorba Linda. While most of these homes have been rebuilt, there are still a number of properties that have yet to rebuild.</p>
<p>[NEW] The region's greenhouse gas emission targets provided by the California Air Resources Board</p>	<p>Yes - Yorba Linda does not have a large employment center and has a skewed jobs-housing balance towards the housing side of the ratio. Moreover, given that Yorba Linda has extremely limited public transit opportunities, the addition of more housing units (especially affordable housing units) in Yorba Linda would likely increase the number of vehicle miles traveled (VMT) within the region, which could potentially conflict with AB 32 and SB 375 goals.</p> <p>Furthermore, CARB has established goals of reducing GHGs in the SCAG region by 19% by 2035 beginning October 1, 2018. Previously, the targets were to reduce GHGs by 13% by 2035. This 6% target reduction could potentially limit housing production within the City as these target adjustments result in increased housing production costs. This principle is supported by several sections of state's RHNA methodology process (see Government Code Section 65584(a)(3), 65584(d)(2), and 65584(d)(3)).</p>
<p>Other factors</p>	<p>The City of Yorba Linda has many properties that are impacted by oil wells. These properties are restricted in their use by the Division of Oil, Gas, and Geothermal Resources (DOGGR). Furthermore, these properties often have impacted soils that require remediation prior to residential development. These remediation plans can be cost-prohibitive in worst case scenarios, but often add significant cost to housing development in most cases. The City has approximately 330 acres located within oil-production areas.</p> <p>The City would also recommend that SCAG consider other planning factors such as potential impacts from natural disasters (i.e., earthquakes, fires, floods, liquefaction, landslides, dam inundation, etc.). History of natural disasters should also be taken into consideration.</p> <p>Furthermore, cities like Yorba Linda have a large number of properties located in areas with slopes in excess of 15% grade. These slopes significantly restrict and add major cost increases to development opportunities. In other words, when evaluating the availability and suitability of land for urban development, it is important to note that hillside areas are extremely challenging and expensive to develop.</p>