



September 9, 2019

Honorable Peggy Huang
Regional Housing Need Assessment Subcommittee
Southern California Association of Governments 900
Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

RE: Regional Housing Needs Assessment (RHNA) Methodology

Dear RHNA Subcommittee Chair Huang,

On behalf of the City of Azusa, and as a member of the San Gabriel Valley Council of Governments (SGVCOG), we are writing to comment on the proposed RHNA allocation methodologies that were released earlier this month. The SGVCOG is comprised of 34 diverse member jurisdictions and is the largest sub-regional government entity in Los Angeles County. We would first like to thank the Southern California Association of Governments (SCAG) and the RHNA Subcommittee for developing the proposed methodologies for the SCAG region and for the opportunity to comment on these methodologies.

The City of Azusa and SGVCOG requests that the final methodology should do the following:

- Acknowledge recent housing development;
- Acknowledge existing growth constraints;
- Use consistent and meaningful terminology by aligning the definition of High Quality Transit Areas (HQTA) with Cap and Trade for the purposes of RHNA;
- Use local input as the foundation;
- Be accurate, equitable, and defensible;
- Acknowledge the role of local governments in constructing housing.

Acknowledge Recent Housing Development

Member jurisdictions in the SGVCOG region have facilitated the development of thousands of housing units during the fifth RHNA cycle. These developments include restricted very low-income and low-income housing units. Options 2 and 3 of the proposed RHNA methodologies do not include credit for these housing developments. Option 1 focuses on household creation, which tends to be higher in jurisdictions that have created more housing units. In fact, Option 1 applies a higher ideal vacancy rate to rental housing units, which increases the need for additional housing units in jurisdictions that have already developed housing units in recent years. Finally, the inclusion of vacancy rate and overcrowding on the jurisdiction level is unsuitable given that the cause of housing need and associated vacancy and overcrowding is due to regional factors outside of local jurisdictions' control.

The City of Azusa and SGVCOG recommends that the final RHNA methodology should provide a credit to those jurisdictions where housing construction occurred during the fifth RHNA cycle.

Acknowledge Existing Growth Constraints

The finalized methodology should recognize existing constraints to housing growth in urban communities, such as open space deficits, incompatible industrial uses, environmental contamination, and high levels of existing density. The San Gabriel Valley cities are concerned that existing zoning regulations and land value may inhibit local jurisdictions' abilities to create additional housing units. The draft RHNA methodologies include consideration of constraints such as open space and habitat and wildlife areas, applicable to already lower-density suburban locations, whereas the constraints facing urban areas are not considered.

Many of the SGVCOG cities, such as Azusa, include major freeways, rail corridors, and intermodal facilities that require adequate buffers around those locations from housing developments. For example, since 2005, the California Air Resources Board has warned against building new homes in high-pollution zones within 500 feet of freeways, due to the strong linkage between traffic pollution and rates of asthma, heart attacks, and other health problems. Some studies recommend minimum distances of 1,000 feet between freeways and new dwelling units. In Azusa, most of the land adjacent to Interstate 210 is currently zoned for low density residential purposes. While design features can minimize risks, air pollution rates in these areas remain high and have large health impacts on their residents.

Many communities in the San Gabriel Valley also lack open space, amenities, and quality infrastructure and have existing environmental hazards that impact the health of existing residents and represent constraints for additional housing development. A number of the SGVCOG's member agencies are identified as disadvantaged communities by CalEnviroScreen 3.0 (Attachment A). These cities were identified as disadvantaged communities given their surrounding environmental hazards, health factors, and socioeconomic demographics. Portions of Azusa are located in areas with pollution burdens in the 90th percentile. These areas include properties zoned for residential purposes, as well as schools and parks. The residential areas are designated for low density development, however in order to meet proposed RHNA numbers, areas like these may have to be considered for increased densities, thus exposing a greater number of community members to hazardous levels of pollution.

Density in many jurisdictions currently exceeds County, Region, and State averages. 24 of the San Gabriel Valley's 31 member cities contain population density rates that are above that of the County of Los Angeles – including the cities of Arcadia, Azusa, Baldwin Park, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, La Puente, La Verne, Montebello, Monterey Park, Monrovia, Pomona, Rosemead, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, and West Covina.

Additionally, the region is home to areas that are permanently protected open space, such as the Angeles National Forest, flood channels and spreading grounds, local parks and HOA open space, and areas that are unsuitable or unavailable for resident uses, such as the former Puente Hills Landfill. Over 36% of land in Azusa has been designated as open space. This includes hillside properties, mountain areas, and others that are not suitable for residential construction.

Consideration of these constraints that face our cities, as well as other urban areas, should be incorporated into the final methodology.

Use consistent and meaningful terminology by aligning the definition of High Quality Transit Areas (HQTA) with Cap and Trade for the purposes of RHNA

Options 1 and 2 allocate housing based on the jurisdiction's share of regional population within an HQTA. Azusa and the SGVCOG support improving the linkage between new, higher density housing and frequent reliable transit service. Affirming this could also help the region meet mobility and air quality goals. However, we recognize that how the new housing numbers and associated income distribution is allocated to jurisdictions could raise concerns regarding the potential over-concentration of particular income groups and/or the potential to displace existing residents. Additionally, QTAs are not evenly distributed across the region. Given the significant repercussions to jurisdictions that do not site the units allocated, it is important that the process results in a distribution that is achievable. An allocation approach that emphasizes the factors that are critical for agencies being eligible for funding and to actually achieve ("build") the allocated housing units should be heavily-weighted in the selected approach.

To help link the RHNA allocations with available funding, the final methodology should align the criteria for RHNA allocations at major transit stops with the definition of an HQTA in the FY17- 18 Round 4 Affordable Housing and Sustainable Communities Program (AHSC) Guidelines. This will help to avoid overlapping terms/definitions and to provide better funding potential by ensuring that QTAs are within already-defined areas. The definition of HQTA according to the AHSC Guidelines can be found below:

"High Quality Transit" means a qualifying transit line with high frequencies and permanent infrastructure as follows: (1) Frequency: High Quality Transit must have peak period headway frequency of 15 minutes or less and service on seven days a week. (2) Permanent Infrastructure: High Quality Transit must operate on a railway or be transit service with Bus Rapid Transit features that either fully or partially operate on a dedicated bus-only lane, or uses High Occupancy Vehicle (HOV) or High Occupancy Toll (HOT) lanes.

Use local input as the foundation for the final methodology

Local input has always been a foundational component of SCAG's RHNA planning process, and for good reason. Further, embedded in the roots of the Planning profession and process is local input. This input provides a real-world perspective of local housing opportunities and constraints at an individual, jurisdiction level – a perspective that is not present in a one-size-fits-all RHNA allocation factor (i.e. jurisdiction's share of the regional population). Local input provides the backbone, linking RHNA to SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) – also known as Connect SoCal – by identifying areas within the region sufficient to house an eight-year projection of the regional housing need, as called forth with the adoption of SB 375. This information is also utilized by the local transportation commissions in their planning and programming of major transportation and infrastructure projects and SCAG in its regional planning. Utilizing local input integrates transportation and land use planning.

We support the bottoms-up approach SCAG used to derive local input over a 1.5-year long process in which SCAG solicited input from all 197 jurisdictions on population, housing, and employment for 2016-2045; parcel-level General Plan land uses, existing 2016 land uses, and zoning; and the extensive surveys collecting information on policies and best practices incorporated into local planning. Each jurisdiction submitted projected housing development numbers to SCAG as part of the local input process. The selected RHNA methodology therefore should ensure that any

number assigned to a jurisdiction captures, at a minimum, the number of units a jurisdiction identified through the local input process. For example, if a jurisdiction projected it would build 8,000 units, but the selected RHNA methodology only gives that jurisdiction 5,000 units, there should be an adjustment to provide that missing 3,000 units to the jurisdiction, rather than distribute the 3,000 to other jurisdictions. This respects local input and ensures equity for other jurisdictions not to be overburdened.

Be accurate, equitable, and defensible

Given the significant repercussions for cities and counties that do not site the units allocated, it is important that the process results in a distribution that is based on the most accurate data, is equitable across the region, and is defensible.

Acknowledge the limited role of local government in constructing housing

The final methodology should acknowledge that it is not municipalities that build housing but the private sector. RHNA planning targets should not be conflated with housing production. For the most part, cities have planned to meet housing needs and have housing elements that are in compliance. While in some instances local governments may not permit enough housing to meet their needs, a more fundamental challenge for many cities is the number of permit requests received relative to the number of housing units they planned and zoned for under RHNA apportionments. Many cities have fewer applications than their RHNA allocations for reasons outside of their control.

Numerous factors can encourage or constrain the development, maintenance, and improvement of a city's housing stock. For example, physical constraints, land availability, market forces, including the lack of state funding and the increased constraints on construction funding and mortgage qualifications imposed by lenders, play a major role in whether affordable housing or housing in general is constructed in a community. Over 1,000 dwelling units have been permitted in Azusa since 2013, however not many have been designated as affordable due to various constraints. Many of these factors, including the lack of state funding, have persisted for years. These constraints often result in housing that is not affordable to low and moderate income households, or may render residential construction economically difficult for the development community. Constraints to housing production significantly impact households with lower incomes and special needs.

The City of Azusa has made significant efforts over the years to construct, rehabilitate and retain affordable housing. In the mid-1990s the City's Redevelopment Agency substantially rehabilitated senior apartments in exchange for long term affordability covenants. The Agency also used set aside funds to provide improvement assistance to additional apartment units in exchange for affordability covenants. In 2007 the City entered into an agreement with a local university to retain 64 affordable housing units and prior to 2011, the City was actively pursuing development opportunities in an area known as Atlantis Gardens. This area is composed of 39 properties and has historically experienced high levels of crime and violence. In response to these blighted conditions and safety concerns, the Redevelopment Agency purchased a number of properties in the neighborhood, initiating the process to revitalize the neighborhood with a new comprehensive development. However, after the dissolution of Redevelopment and access to funding sources diminished, the City's residential assets were transferred to the County of Los Angeles, stalling the project. The City actively continues to find a solution for this area. Further, the City has adopted density bonuses and other standards consistent with state housing policy. Plans such as the City's

TOD Specific Plan were also adopted to help facilitate mixed-use higher density housing. The City also continues to communicate with organizations like Habitat for Humanity and National Core to determine their level of interest in Azusa. The final methodology should acknowledge this fact and, throughout the RHNA discussions, be sure to not conflate RHNA targets with housing production.

The City of Azusa deeply appreciates the inclusive stakeholder process SCAG has undertaken, and we look forward to continued opportunities to comment on specific proposals. Please contact me should you have any questions, inquiries, or comments at sergio.gonzalez@Azusacca.gov or (626) 812-5238.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sergio Gonzalez', with a stylized flourish at the end.

Sergio Gonzalez
City Manager

Attachments

Attachment A – CalEnviroScreen 3.0 Map of the San Gabriel Valley Region and Azusa

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