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June 6, 2019

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

**Subject:** Draft Regional Housing Needs Assessment (RHNA) Consultation Package to the California Department of Housing and Community Development (HCD) and Proposed RHNA Methodology Components

Honorable Chair Huang and Honorable Committee Members:

Thank you for the opportunity to provide comments on the Draft Regional Housing Needs Assessment (RHNA) Consultation Package to the California Department of Housing and Community Development (HCD) and proposed RHNA methodology components.

In the RHNA subcommittee meetings held on May 6 and June 3, 2019, the Southern California Association of Governments (SCAG) discussed the use of a RHNA methodology that will take into consideration newly-applied factors, such as overcrowding and existing need. Based on SCAG's proposed methodology to determine the RHNA allocation for the next planning period, it could result in a RHNA allocation of approximately 659,144 units (430,289 of projected need plus 228,855 units of existing need), which is a 60% increase from the 5<sup>th</sup> cycle RHNA allocation of 412,137 units for the entire SCAG region. Consequently, if jurisdictions are unable to accommodate these units, certification of the next Housing Element may not be attainable, especially given new housing legislation, which provides additional restrictions on site selection. As an example, AB 1397 restricts jurisdictions from carrying over vacant sites as housing sites if they have been included in two or more previous housing elements.

In 2014, SCAG allocated a RHNA of 5,272 units to the County of Orange (County) for the 5<sup>th</sup> cycle's 2014-2021 planning period. The County relies on private developers to build housing and cannot fully control how a property is built, such as whether a developer chooses to build at a lower density than allowed. As of December 2018, the County issued permits to construct a total of 4,292 units, which is 81.4% of the County's total RHNA allocation. Due to Orange County's market conditions and demand, 90% of the total permits requested by developers and issued were assigned to above-moderate units. In particular, the County of Orange is faced with

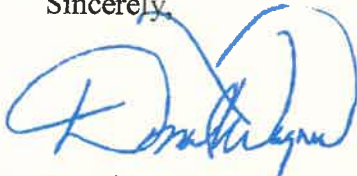
limitations in providing housing, such as the lack of available vacant land for high density housing, lack of funding due to the dissolution of redevelopment agencies, and previously approved and unknown future annexations. Also, entitlements controlled by development agreements for the Ranch Plan Planned Community and Ladera Ranch Planned Community cannot be altered for rezoning by the County.

In particular, the County of Orange is respectfully requesting that SCAG propose a total RHNA allocation of 430,000 for the SCAG region for the 6<sup>th</sup> RHNA cycle to State HCD, which reflects the eight-year regional projection from local jurisdictions that already incorporates both existing need and future projected need. The proposed original determination of 430,000 is consistent with the draft 2020 Regional Transportation Plan / Sustainable Community Strategy and involved a comprehensive local input process where the County reviewed data on growth approved and planned, and submitted to SCAG. Including a separate allocation for existing need will lead to double-counting. Therefore, all numbers, tables, and discussions regarding existing need as a separate calculation should be discarded from the State HCD consultation package.

In the meantime, the County is requesting preliminary draft RHNA allocations and the proposed RHNA counts for the individual variables, such as overcrowding and the share of the region's population within the high-quality transit areas, along with any supporting information for any proposed methodology so that the County can adequately analyze any potential impacts and provide feedback prior to SCAG submitting the consultation package to State HCD.

We appreciate your consideration.

Sincerely,



Donald P. Wagner  
Supervisor, Third District  
Orange County Board of Supervisors

CC: CEHD Committee  
RHNA Subcommittee  
Kome Ajise, Executive Director, SCAG