



October 21, 2019

Mr. Kome Ajise, Executive Director
Southern California Association of Governments
900 Wilshire Boulevard, Suite 1700
Los Angeles, CA 90017

Subject: Community, Economic and Human Development Committee
October 21, 2019, Agenda Item 1 - Recommended Draft RHNA Methodology

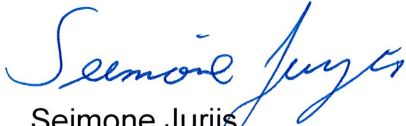
Dear Mr. Ajise:

As SCAG moves toward finalization of the RHNA methodology, the City of Newport Beach would like to offer the following recommendations.

1. Some housing advocacy organizations continue to urge SCAG to eliminate local input from consideration in the RHNA process. As your staff, subregional councils, and many jurisdictions have correctly noted, SCAG is required by State statutes to consider local input in developing the RHNA allocations, and any arguments to the contrary are a misrepresentation of the law.
2. We continue to be concerned that the additional social equity adjustment in “high resource areas” results in an unachievable RHNA that could set those cities up for failure. *For Newport Beach, the very-low- and low-income categories represent 50 percent of the total RHNA allocation.* The lack of sufficient affordable housing subsidy funds combined with initiatives by the State legislature to punish cities that do not achieve their RHNA allocations is a recipe for failure, and Sacramento continues to blame cities for “not building enough housing.” SCAG staff has commented that most cities in the region have enough residential capacity to accommodate the 2045 growth forecast; however, under Housing Element law development capacity is stratified by income category and new State laws severely limit use of “underutilized” sites to accommodate the lower-income RHNA allocation. This fact in combination with “no net loss” rules creates a major “disconnect” between the regional growth forecast, transportation planning and housing capacity as determined by HCD during Housing Element reviews.

While we continue to have great concern regarding the unrealistically high RHNA assigned by HCD, the City of Newport Beach appreciates your consideration of the comments provided in this letter and all the efforts of SCAG staff throughout the RHNA process.

Sincerely,

A handwritten signature in blue ink that reads "Seimone Jurjjs". The signature is fluid and cursive, with a large initial 'S'.

Seimone Jurjjs,
Community Development Director

cc: City Council
Grace Leung, City Manager
Jaime Murillo, Senior Planner
Marnie Primmer, Orange County Council of Governments Executive Director