



November 6, 2019

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

Subject: November 7, 2019 Regional Council Agenda Item 4 - RHNA Methodology

Dear Mr. Ajise:

The City of Newport Beach offers the following comments regarding SCAG staff's RHNA methodology recommendations to the Regional Council:

1. Some participants continue to urge SCAG to eliminate or minimize the use of local input in the RHNA process. However, SCAG staff has correctly noted that it is a requirement by State statutes to consider local input, as reflected in the Connect SoCal RTP/SCS growth forecast, in the RHNA methodology.
2. The "substitute motion" alternative discussed in the Regional Council staff report would result in major changes to the RHNA distribution at the county and jurisdictional levels. For example, under the substitute alternative, the Newport Beach RHNA would increase from 2,751 units to 4,832 units. It would be highly inappropriate for the Regional Council to approve this alternative, or any substantial change to the staff recommendation, at the 11th hour without allowing additional time for analysis and comment.
3. 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. In fact, most housing development in the most highly urbanized areas of the region occurs on underutilized sites, and *some cities in the SCAG region have virtually no buildable vacant land*. 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.

4. While we continue to share the concerns expressed by many other jurisdictions regarding the unrealistically high RHNA assigned by HCD, we encourage the Regional Council to adopt SCAG’s staff recommendation as a reasonable methodology given the constraints imposed by State housing mandates.

The City of Newport Beach appreciates your consideration of these comments and all the efforts of SCAG staff throughout the RHNA process.

Sincerely,



Seimone Jurjis,
Community Development Director

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