



June 27, 2019

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

The City of Garden Grove (City) appreciates the opportunity to provide formal written comments regarding the Draft RHNA Consultation Package to HCD and proposed RHNA methodology components.

The City is fully committed to doing its part in addressing the State's housing crisis. Over the past decade, the City has drastically increased its potential for the development of housing by converting over 300 acres of land zoned solely for commercial use into land available for commercial/residential use via Mixed Use Zoning; adopting an ordinance approving the construction/conversion of Accessory Dwelling Units (ADU's); and implementing the Planned Unit Development (PUD) zone, which has accounted for the entitlement/development of nearly 1,200 new housing units. Additionally, per the approved 2018 Annual Progress Report of the Housing Element, Garden Grove has surpassed our above-moderate and moderate unit allocations, and is on track to meet all affordability level allocations by the end of the 5th RHNA Cycle.

While the City will continue to make every effort to increase its housing supply, we are concerned with several aspects of the methodology SCAG is proposing for the 6th RHNA Housing Cycle. Therefore, the City respectfully requests the following:

Steven R. Jones

Mayor

Stephanie Klopfenstein

Mayor Pro Tem - District 5

George S. Brietigam

Council Member - District 1

John R. O'Neill

Council Member - District 2

Thu-Ha Nguyen

Council Member - District 3

Patrick Phat Bui

Council Member - District 4

Kim Bernice Nguyen

Council Member - District 6

1. SCAG should propose to HCD a regional determination of 430,000 housing units for the 6th RHNA Cycle without including additional calculation for existing need.
 - a. **The 8-year regional projection includes input from local jurisdictions that already incorporates existing and projected need.**
 - b. Incorporating a separate calculation for existing need would cause data to be double-counted, thus increasing allocations beyond jurisdictional capacity and projected growth as forecasted in the 2020 Regional Transportation Plan/ Sustainable Communities Strategy (RTP/SCS).
 - c. Adoption of several new housing Bills (SB-35, SB-166, AB-1397) already places significant pressure on local jurisdictions to meet their RHNA allocations. The proposed RHNA methodology over-estimates existing need, thus causing the potential for the allocation of unattainable housing production goals.
 - d. Adding an existing need component to the regional allocation that is then distributed on a pro-rata basis based on population unfairly penalizes jurisdictions that meet their unit allocation goals. If SCAG decides to support this methodology (although strongly opposed by the City), we request the following alternatives be considered:
 - i. Assign the existing need allocation on a jurisdictional level based on the unmet production goals of prior cycles.
 - ii. Spread the existing need allocation across several cycles, rather than assigning the units to the 6th Cycle alone.
 - iii. Allow for the existing need allocation to be accomplished via over-production at any of the affordability levels. Assigning a specific affordability level to the existing need allocation would make meeting production goals nearly impossible.
2. High Quality Transit Area (HQTA) data is insufficient and maps should be reevaluated/updated.
 - a. In reviewing the current SCAG HQTA map, it appears the City has two HQTA zones (Harbor Blvd and Westminster Ave) when, in fact, **none of the Orange County Transit Authority (OCTA) buses running through Garden Grove meet the HQTA threshold** of, "...two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods." SCAG should reevaluate and update the HQTA maps and provide an opportunity for jurisdictions to appeal.
 - b. **The City opposes SCAG's proposed 30% distribution for HQTA's.** This methodology is concerning due to the lack of current information regarding the potential impact on regional and jurisdictional allocations. SCAG should provide each jurisdiction with data regarding how HQTA's were identified, population data contained within the HQTA's, and allocation estimates based on the proposed HQTA distribution methodology.
3. Total Replacement Need component of the SCAG RHNA Plan is flawed.
 - a. Simply adding demolition data collected by the Department of Finance (DOF) to jurisdictions' allocations is flawed, in that, it doesn't take into consideration any new units that were constructed in the place of the demolished units. For example, based on the Housing Inventory System (HIS) data provided to the Center for Demographic Research (CDR) for the period from January 2018 to December 2018, the City of Garden Grove had ten (10) single-family detached units demolished. Based on current methodology, all 10 of these units are included in the Total Replacement Need column and added to our final RHNA allocation. The current methodology does not take into consideration the production of the ten (10) new housing units that were built to replace the ones that were

demolished, resulting in no net loss to the housing supply. Additionally, the demolition and subsequent rebuilding of units is often separated by many months, which could cause the demolition and new construction data to be reported on separate forms. SCAG should alter the current Total Replacement Need component to only include housing units that are demolished with no plans to replace said units. See table below for further clarification.

Housing Units Demolished	Housing Units Constructed	Net Change
10	10	0

*Above data based on 2018 HIS data submitted to CDR

4. SCAG should provide each jurisdiction with data identifying the following variables:
 - a. Cost Burden
 - b. Healthy Vacancy Rate
 - c. Overcrowding
 - d. Share of Region's Population
 - e. Share of Region's Population within the HQT

The City of Garden Grove appreciates the time and effort that went into developing the proposed RHNA methodology, and we thank you for your time in reviewing our comments. We urge SCAG to propose a regional 6th Cycle RHNA determination of no more than 430,000 housing units. This determination is reasonable and equitable, reflecting local input and allowing jurisdictions to maintain control over the development of their communities.

For additional information, please contact Lisa Kim, Assistant City Manager, at (714) 741-5148 or lisak@ggcity.org.

Respectfully submitted,



Steve Jones
Mayor

CC: Garden Grove City Council
Scott Stiles, Garden Grove City Manager
CEHD Committee
RHNA Subcommittee
Kome Ajise, SCAG
Marnie Primmer, OCCOG