

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING October 20, 2020

- H.22** AUTHORIZATION TO PREPARE AND FILE AN APPEAL OF THE CITY OF REDONDO BEACH'S 6TH CYCLE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) ALLOCATION OF 2,483 UNITS FROM THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG)

CONTACT: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

- Appeal Request Form 6th Cycle Regional Housing Needs Assessment

Sixth Cycle Regional Housing Needs Assessment (RHNA) Appeal Request Form

All appeal requests and supporting documentation must be received by SCAG October 26, 2020, 5 p.m.

Appeals and supporting documentation should be submitted to housing@scag.ca.gov.

Late submissions will not be accepted.

Date:

10/20/20

Jurisdiction Subject to This Appeal Filing:

(to file another appeal, please use another form)

City of Redondo Beach

Filing Party (Jurisdiction or HCD)

City of Redondo Beach

Filing Party Contact Name

Brandy Forbes, Community Development Director

Filing Party Email:

brandy.forbes@redondo.org

APPEAL AUTHORIZED BY:

Name: **Mayor and City Council**

PLEASE SELECT BELOW:

Mayor

Chief Administrative Office

City Manager

Chair of County Board of Supervisors

Planning Director

Other: Governing Body

BASES FOR APPEAL

☒ Application of the adopted Final RHNA Methodology for the 6th Cycle RHNA (2021-2029)

☒ Local Planning Factors and/or Information Related to Affirmatively Furthering Fair Housing (See Government Code Section 65584.04 (b)(2) and (e))

☒ Existing or projected jobs-housing balance

☐ Sewer or water infrastructure constraints for additional development

☐ Availability of land suitable for urban development or for conversion to residential use

☐ Lands protected from urban development under existing federal or state programs

☐ County policies to preserve prime agricultural land

☒ Distribution of household growth assumed for purposes of comparable Regional Transportation Plans

☐ County-city agreements to direct growth toward incorporated areas of County

☐ Loss of units contained in assisted housing developments

☐ High housing cost burdens

☐ The rate of overcrowding

☐ Housing needs of farmworkers

☐ Housing needs generated by the presence of a university campus within a jurisdiction

☐ Loss of units during a state of emergency

☐ The region's greenhouse gas emissions targets

☐ Affirmatively furthering fair housing

☐ Changed Circumstances (Per Government Code Section 65584.05(b), appeals based on change of circumstance can only be made by the jurisdiction or jurisdictions where the change in circumstance occurred)

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Brief statement on why this revision is necessary to further the intent of the objectives listed in Government Code Section 65584 (please refer to Exhibit C of the Appeals Guidelines):

Please include supporting documentation for evidence as needed, and attach additional pages if you need more room.

Below are brief summaries of documents that are attached (and listed below) that provide support documentation and evidence for the requested reduction of the City of Redondo Beach's RHNA.

The attached **"Redondo Beach City Council Administrative Report - RHNA Appeal, October 20, 2020"** is summarized below.

Additional "Local Factors" should be incorporated into the methodologies that inform the RHNA. Specifically, the following additional "Local Factors" should be considered.

- Consider a "Local Zoning Factor";
- Consider a "Local Density Factor";
- Consider revising the "Jobs-to-Household Ratio Factor" utilized.

Corrections to data fields used for informing the Methodologies/Factors is required concerning "Redondo Beach's Projected 2045 HQTAs Population".

- Correct Redondo Beach's Projected 2045 HQTAs Population. SCAG cites Redondo Beach's Projected 2045 HQTAs Population as 10,630. The City's population data and growth rate for this area yields a projected population of 8,197 (See attached "Redondo Beach Projected 2045 HQTAs Population" as evidence).

Based on the noted error in data concerning projected 2045 HQTAs population, Redondo Beach requests a reduction of 100 units.

Additionally, the RHNA Methodology does not lead to an estimate equitably distributed to area municipalities adjacent to and nearby the City of Redondo Beach. Below is a table that notes the proportional inequity between the City of Redondo Beach and surrounding neighboring jurisdictions.

Table: Unfair Distribution of RHNA - Comparison with Neighboring Jurisdictions with the South Bay Cities COG

SBCCO Jurisdiction	RHNA	Total Housing Units	% RHNA
Torrance city	4,928	58,591	8.4%
Redondo Beach city	2,483	30,892	8.0%
El Segundo city	491	7,463	6.6%
Hermosa Beach city	556	10,092	5.5%

Manhattan Beach city	773	15,032	5.1%
Rancho Palos Verdes city	638	16,334	3.9%
Palos Verdes Estates city	198	5,300	3.7%
Total/Average	10,067	143,704	7.0%

Redondo Beach requests that the jurisdictions noted in the table above be allocated consistent with the average of 7.0%. Based on the unfair distribution noted above, Redondo Beach requests a reduction of 319 units.

Additional recent information identifies significant errors concerning State HCD's RHNA allocation of 1.34 million housing units to the SCAG Region. The Attached documents, "February 2020 Freddie Mac Insights Report: The Housing Supply Shortage: State of States"; "Embarcadero Institute - Double Counting the Latest Housing Needs Assessment"; and the "Orange County Letter-Technical Report" provide evidence in support of significant overcounting by State HCD. Below is a brief summary and general findings of the Freddie Mac and the Embarcadero studies.

Freddie Mac Calculation:

The Freddie Mac study utilizes a calculation based upon vacancy rate and "target households" (households that would have been formed except for higher costs) and migration between States

- California shortage of housing units: 820,000

62.2% of California shortage of housing units per Freddie Mac yields a SCAG apportionment = 510,040 housing units

A SCAG 6th Cycle RHNA of 510,000 units = a reduction of 62%

Per the Freddie Mac study the City of Redondo Beach's RHNA could be reduced from 2,483 to 944 Units.

Embarcadero Calculation:

The Embarcadero study cites that HCD used the "wrong assumptions" for:

- **Existing housing need.** HCD wrongly assumed "existing" housing need was not evaluated as part of California's previous RHNA Cycles
- **Vacancy rate.** HCD wrongly assumed a 5% vacancy rate in owner-occupied housing.
 - Per GC 65584.01(b)(1)(E) specifies that 5% vacancy rate applies only to the rental housing market.
- **Overcrowding and cost-burdening.** HCD wrongly assumed overcrowding and cost-burdening had not been considered in DOF projections of housing need.

Per the Embarcadero study a proportional reduction of... $651,000/1,341,827 = 48.5\%$ is warranted.

Pursuant to the Embarcadero study the City of Redondo Beach's RHNA could be reduced by 48.5% of 2,483 to 1,204 Units.

Brief Description of Appeal Request and Desired Outcome:

The omission of critical local information/factors coupled with incorrect data and unfair distribution of RHNA in comparison with neighboring South Bay Cities supports the City's request for a reduction of 419 units.

Additionally, recent significant errors in State HCD's overall allocation of 1.34 million units to the SCAG region as cited in the Freddie Mac and Embarcadero Institute's justify the City's request to reconvene the SCAG President's RHNA Litigation Study Team.

If SCAG were to pursue litigation on this matter the City would support those efforts and expect significant reductions in the City's RHNA allocation consistent with reductions called for in the Freddie Mac and Embarcadero Institute Studies.

- Per the Freddie Mac study the City of Redondo Beach's RHNA could be reduced from 2,483 to 944 Units.
- Pursuant to the Embarcadero study the City of Redondo Beach's RHNA could be reduced by 48.5% of 2,483 to 1,204 Units.

Number of units requested to be reduced or added to the jurisdiction's draft RHNA allocation (circle one):

Reduced 419 units due to unfair distribution and HQTAs inaccuracies.

[If overall number of units is reduced at State level in line with the Freddie Mac Study, RB Reduced by 1,539 units total]

[If overall number of units is reduced at State level in line with the Embarcadero Study, RB Reduced: by 1,279 units]

Added 0 units

List of Supporting Documentation, by Title and Number of Pages

(Numbers may be continued to accommodate additional supporting documentation):

1. Redondo Beach City Council Administrative Report-RNHA Appeal, October 20, 2020 (20 pages)
2. Redondo Beach Projected 2045 HQTAs Population (1 page)
3. February 2020 Freddie Mac Insights Report-The Housing Supply Shortage State of the States (11 pages)
4. Embarcadero Institute-Double Counting the Latest Housing Needs Assessment (19 pages)