



# CITY OF CERRITOS

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OFFICE OF THE CITY MANAGER  
**ART GALLUCCI**

February 20, 2020

Peggy Huang  
RHNA Subcommittee Chair  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

**SUBJECT: Request of the RHNA Subcommittee to deny the SCAG/HCD-approved Alternative RHNA Methodology in favor of the City-proposed RHNA Methodology and to direct SCAG to contest the validity of the unsupported housing numbers assigned by the State of California to the SCAG region totaling 1.34 million residential units for consideration and approval by the Regional Council on March 5, 2020**

Honorable Peggy Huang:

The City of Cerritos remits this letter to the Regional Housing Needs Assessment (RHNA) Subcommittee, requesting consideration of a City-proposed RHNA Methodology that entails reintroducing Household Growth as a component of the methodology for determining existing housing need. Specifically, the City-proposed RHNA Methodology would provide for the incorporation and use of local input obtained by the Southern California Association of Governments (SCAG) from cities over the course of an 18-month period (see Attachments – City of Cerritos letters dated February 4, 2020 and December 20, 2019). In doing so, the RHNA methodology (coupled with use of accurate empirical data) would produce more realistic and attainable housing numbers for all member cities as said methodology would account for existing land use characteristics and other related development constraints. As proposed by member cities, the City-proposed RHNA Methodology for the existing need would be comprised of three equal parts as follows: Household Growth (33.3%); Job Accessibility (33.3%) and Population Within High Quality Transit Areas (HQTAs) (33.3%).

Separately, cities are requesting SCAG support to contest the validity of the total number of housing units assigned by the California Department of Housing and Community Development (HCD) to the SCAG region equaling 1.34 million units on the grounds that said total is grossly inflated and is not supported by empirical data. As you are likely aware, the California Department of Finance (DOF) recently updated its population projections, which have resulted in a significant decrease in the prior population forecast. Furthermore, Governor Newsom has stated that his commitment to building 3.54 million

**EXHIBIT 5.**

new homes by 2025 was an overly ambitious goal and that the State would soon be releasing a more pragmatic estimate of housing needs by region.

In light of this information, SCAG member cities recommend the following to the RHNA Subcommittee:

1. Deny the SCAG/HCD-approved Alternative RHNA Methodology based on the following findings:
  - a. Brown Act violations conducted by select members of the SCAG Regional Council and members of SCAG staff facilitating the development and consideration of the Alternative RHNA Methodology pursuant to direction obtained by said Regional Councilmembers outside the lawfully required public hearing process;
  - b. Lack of transparency afforded to member cities located in southeast Los Angeles County and Orange County by SCAG about the intent to present an alternative methodology to the SCAG-recommended RHNA Methodology (which was originally comprised of Household Growth (50%), Job Accessibility (25%) and Population near HQTAs (25%)) to be used in determining existing housing need;
  - c. Insufficient notice provided to southeast Los Angeles County and Orange County cities, which stood to receive the greatest share of the region's reassigned housing units, to adequately vet and comprehend the implications presented by the Alternative RHNA Methodology that was made available for public review and comment only two days prior to the November 7, 2019 Regional Council meeting;
  - d. Public meeting violations exercised by the Regional Council during the November 7, 2019 public hearing by way of preventing public speakers from southeast Los Angeles County and Orange County cities from expressing their opposition to the Alternative RHNA Methodology for the official record in violation of Article VII of the Regional Council's Policy Manual regarding the Rules of Procedure for the Conduct of Meetings;
  - e. Unreasonably vague substitute motion offered by Regional Councilmember Rusty Bailey. In making the substitute motion, four different people spoke and attempted to define the actual contents of the substitute motion. The final substitute motion was summarized by SCAG staff as the following: "Adopt the Bailey Plan, with additional room for fine tuning the numbers based on Los Angeles' last three points. If it changes substantially, there is a process through which to appeal that."
  - f. Elimination of Household Growth as a component of the Alternative RHNA Methodology (comprised of Job Accessibility (50%) and Population near HQTAs (50%)) which effectively eliminates any and all local input provided

by cities over the course of eighteen months from the methodology to be used in determining existing housing need; and,

- g. Grossly inflated and inaccurate housing targets established for the SCAG region by the State of California - HCD totaling 1.34 million housing units that cannot be substantiated nor supported by empirical statistical data pertaining to population, housing, employment, etc.
2. Introduce and approve the City-proposed RHNA Methodology for consideration by SCAG's Community, Economic, and Human Development (CEHD) Committee, and Regional Council at their respective meetings of March 5, 2020 in lieu of the SCAG/HCD-approved RHNA Methodology. The City-proposed RHNA Methodology shall be comprised of three equal components for the existing need as follows: Household Growth (33.3%), Job Accessibility (33.3%) and Population Within HQTAs (33.3%).

SCAG member cities hereby recommend that the RHNA Subcommittee approve the City-proposed RHNA Methodology based on the following findings:

- a. City-proposed RHNA Methodology takes into account local input obtained by SCAG from cities over the course of eighteen months by way of reinstating Household Growth as a component of the methodology to be used in determining existing housing need;
  - b. City-proposed RHNA Methodology reflects local land use and related development constraints that are unique to each member city preventing the displacement of jobs and sales tax revenue generating businesses and the gentrification of established communities;
  - c. City-proposed RHNA Methodology comprised of three equal components in determining the existing need would serve to produce fair and equitable housing numbers for all member cities throughout the SCAG region regardless of their geographical location and county of origin;
3. Recommend to the Regional Council that SCAG staff be directed to again contest the State of California's allocation of 1.34 million housing units to the SCAG region on the grounds that said figures are grossly inflated and cannot be substantiated nor supported by empirical statistical data relating to population, housing and employment, etc. The need to contest said total is further supported by the following:
    - a. HCD did not base the determination on SCAG's Growth Forecast. Pursuant to California Government Code 54484.01(a), HCD is required to use SCAG's Growth Forecast when it is within a range of 1.5% of the total regional population forecast projected by DOF. SCAG's Growth Forecast was within 1.5% of the total DOF projection, but HCD still did not use SCAG's Growth Forecast; and,

- b. Governor Newsom's acknowledgement that the directive to construct 3.5 million residential units in California was overly ambitious necessitating the need for the State to reduce said figures accordingly; and,
- c. DOF's decision to adjust previous population projections resulting in a significant reduction in population forecast for the State of California.

The City of Cerritos would like to thank the RHNA Subcommittee for its efforts to develop a just and equitable RHNA Methodology that is inclusive of local input and that produces housing numbers that are attainable and supported by empirical data for the purpose of ensuring that each member city is assigned their fair share of the region's housing numbers. The collective cities of southeast Los Angeles County and Orange County that were duped and unjustly assigned an unattainable amount of housing units as a result of the Regional Council's decision to approve of the Alternative RHNA Methodology in the eleventh hour, support the City-proposed RHNA Methodology.

Again, thank you in advance for taking into consideration the recommendations presented herein and for lending a voice to the under-served and under-represented communities of southeast Los Angeles County and Orange County, which through no fault of their own, stand to be adversely impacted socially, culturally and financially should the Alternative RHNA Methodology be permitted to remain unchanged for the 6th RHNA Cycle. Please do not hesitate to contact Senior Assistant City Manager Torrey Contreras at (562) 916-1201 should you have any questions about the City-proposed RHNA Methodology or should you need any additional information.

Sincerely,



Art Gallucci  
CITY MANAGER

Attachments

1. City of Cerritos Letter dated February 4, 2020
2. City of Cerritos Letter dated December 20, 2019

cc: Cerritos City Council  
Mark Steres, City Attorney  
Torrey Contreras, Senior Assistant City Manager  
Kristin Aguila, Advance Planning Manager  
SCAG RHNA Subcommittee Members  
SCAG CEHD Committee Members  
SCAG Regional Council Members  
Gateway Cities COG  
Orange County COG



# CITY OF CERRITOS

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OFFICE OF THE MAYOR  
NARESH SOLANKI

February 4, 2020

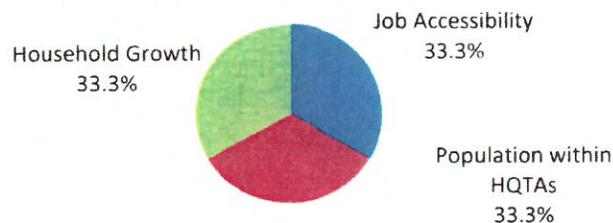
Kome Ajise, Executive Director  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

**SUBJECT: A REQUEST BY THE CITY OF CERRITOS TO SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) TO AMEND THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY FOR THE 6TH CYCLE**

Dear Kome Ajise:

The City of Cerritos is requesting the assistance of Southern California Association of Governments (SCAG) to facilitate an amendment to the Regional Housing Needs Assessment (RHNA) methodology for consideration by the Regional Council at its meeting on February 24, 2020. Specifically, the City of Cerritos proposes to reinstate Household Growth as a component of the RHNA methodology for the purpose of incorporating local input obtained from cities over the course of two years, which was effectively eliminated by the Regional Council's approval of the Alternative RHNA Methodology on November 7, 2019. In order to ensure that the RHNA methodology takes into account the unique characteristics of each member city, said methodology must be comprised of three equal components including Household Growth (33.3%), Job Accessibility (33.3%) and Population within High Quality Transit Areas (33.3%) as follows:

## City-Proposed RHNA Methodology



Reasons for SCAG to support the City-proposed alternative include: 1) upholding SCAG's commitment to member cities to exercise a "grass-roots" or "bottom-up" approach to the development of the RHNA methodology; 2) valuing the input of member cities that was obtained over the course of two years at the direction of SCAG staff; 3) developing a RHNA methodology that results in the assignment of attainable housing numbers; 4) devising a RHNA methodology that is objective and fair to all member cities; 5) eliminating the ability of larger and more politically influential cities to control the assignment of housing numbers

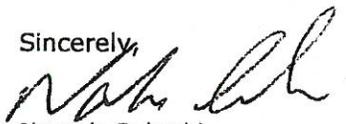
for smaller cities that possess the very same rights and powers; 6) ensuring that each member city is assigned their fair share of the region's housing numbers regardless of the city's geographic location or county of origin; and, 7) ensuring that an open and transparent process is employed by SCAG in the development of the RHNA methodology.

The City of Cerritos is not adverse nor opposed to producing its fair share of housing as long as the housing numbers, which currently total 1.3 million housing units for the SCAG region, are supported and based on accurate empirical data and the methodology used for assigning said units is fair and equitable and takes into account local input from member cities. However, the City of Cerritos contends that the housing numbers are grossly inflated and are not supported by factual nor accurate statistical data resulting in unattainable housing numbers for the SCAG region (see Attachment – City of Cerritos Letter to SCAG dated December 20, 2019). Further, the City of Cerritos maintains that the current RHNA Methodology, which is comprised of Job Accessibility (50%) and Population within HQTAs (50%), fails to account for the unique characteristic of each member city as evidenced by the elimination of Household Growth as a component of the methodology.

The City of Cerritos therefore implores SCAG to produce accurate housing numbers that are based on empirical population, employment and housing data in lieu of the arbitrary housing numbers contrived by the State of California. Additionally, in order for cities to be assigned housing numbers that are reasonable and appropriate for their respective communities, the RHNA methodology must incorporate local input by reinstating the Household Growth component. Further, Household Growth takes into account existing land use patterns that provide for a delicate and unique balance between jobs and housing, which serves to reduce greenhouse gas emissions more effectively than eliminating Household Growth as a component of the RHNA methodology.

The City of Cerritos would like to thank SCAG in advance for its efforts to produce accurate and attainable housing numbers for the 6th cycle and for incorporating the City-proposed modification to the RHNA Methodology by reinstating the Household Growth component. Please do not hesitate to contact Cerritos Senior Assistant City Manager Torrey Contreras at (562) 860-0311 should you have any questions or require any additional information about the issues contained herein.

Sincerely,



Naresh Solanki  
MAYOR

Attachment: City of Cerritos Letter - December 20, 2019

cc: Cerritos City Council  
Art Gallucci, City Manager  
Torrey Contreras, Senior Assistant City Manager  
Mark Steres, City Attorney  
Kristin Aguila, Advance Planning Manager  
Gateway Cities COG  
Orange County COG



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OFFICE OF THE MAYOR  
NARESH SOLANKI

December 20, 2019

Bill Jahn, President  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

**SUBJECT: LETTER REMITTED BY THE CITY OF CERRITOS TO THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) OPPOSING THE ACTIONS OF THE REGIONAL COUNCIL RECOMMENDING AN ALTERNATIVE RHNA METHODOLOGY FOR THE 6TH PLANNING CYCLE BY WAY OF SUBSTITUTE MOTION**

Dear Mr. Jahn:

The City of Cerritos remits this letter to the Southern California Association of Governments (SCAG) formally objecting to the Regional Council's approval of a Substitute Motion on November 7, 2019 to the dismay and disappointment of municipalities located in the Gateway Cities Council of Governments and Orange County Council of Governments (Coastal Cities) region. The Substitute Motion introduced by the Mayor of the City of Riverside, which resulted in a 43-19 vote of the Regional Council in favor of an alternative Regional Housing Needs Assessment (RHNA) methodology (Alternative RHNA Methodology), is believed to have been orchestrated by members of the Regional Council and SCAG in violation of public meeting law. At the direction of only select members of the Regional Council, SCAG staff was wrongfully instructed to conduct additional analysis on the Alternative RHNA Methodology shortly after the RHNA Subcommittee rejected the alternative methodology on October 7, 2019.

Despite the Alternative RHNA Methodology's failure to obtain approval from the RHNA Subcommittee and the fact that the direction to conduct additional analysis on said methodology was not obtained by a majority vote of the Regional Council at a public meeting, SCAG staff proceeded with conducting the requested analysis to appease the special interest of Regional Council members from San Bernardino and Riverside Counties without the knowledge of Coastal Cities. Further, Coastal Cities were unaware that SCAG intended to present the failed Alternative RHNA Methodology along with the requested analysis, to the Regional Council at the November 7, 2019 meeting. By way of an e-mail disseminated by SCAG only two days prior to the November 7, 2019 Regional Council meeting, Coastal Cities were first informed about SCAG's intent to present the Substitute Motion as a possible alternative to the SCAG Recommended RHNA Methodology that had been approved and recommended by both the RHNA Subcommittee and Community, Economic and Human Development (CHED) Committee. Such actions on the part of SCAG effectively prevented Coastal Cities from being able to vet the merits of the Alternative

RHNA Methodology and fully comprehend the devastating land use and long-term economic impacts said methodology would have on their respective communities.

In light of the questionable actions of the Regional Council and SCAG referenced above, the City of Cerritos requests that the decision to recommend the Alternative RHNA Methodology by way of Substitute Motion be reconsidered, in order to avoid a potential challenge on the part of a growing number of Coastal Cities. In doing so, Coastal Cities would be provided with sufficient time to analyze the merits of the Alternative RHNA Methodology for the purpose of comparing it to the SCAG Draft Recommended RHNA Methodology (SCAG Recommended RHNA Methodology) before the Regional Council at a duly noticed public meeting. Providing Coastal Cities with the opportunity to conduct a thorough and comprehensive review of the Alternative RHNA Methodology, along with the merits of the SCAG Recommended Methodology, will result in a better solution for the manner in which RHNA is assigned by SCAG throughout the region.

The opportunity for Coastal Cities to review and comment on the Alternative RHNA Methodology is imperative for Coastal Cities to fully understand the lasting land use, employment and economic implications said methodology presents for their respective communities. For example, the decision of the Regional Council to eliminate Household Growth projections obtained during the local input process, which initially comprised 50% of the Existing Need computation, resulted in the City of Cerritos being assigned a total of 1,952 housing units. The increase in the total number of housing units from 105 (SCAG Recommended RHNA Methodology) to 1,952 (Alternative RHNA Methodology) resulted in a net increase of 1,847 housing units, which represents a 1,759% increase for the City of Cerritos. Accordingly, the total number of housing units assigned to the City of Cerritos for the 6th Planning Cycle is unattainable, as said total amounts to nearly 13 percent of the City's existing housing stock, which was developed over the course of 60 years.

In the end, the fundamental objective of RHNA is to promote the construction of housing for residents of all income levels State-wide and for cities to accommodate their fair share of housing regardless of size, geographical location and regional influence. Assigning unattainable RHNA allocation numbers that are based on inaccurate data and flawed computer modeling simply to appease the special interests of select Regional Council members at the expense of underserved residents, effective housing production and a transparent and democratic decision making process fails to meet the objectives of RHNA allocation.

#### **Elimination of Household Growth (Growth Forecast) Component**

As a critical factor guiding the development of the adopted methodology for SCAG's 4th and 5th RHNA cycles, Household Growth projections obtained from cities during SCAG's local input/growth forecast process were included in the SCAG Recommended RHNA Methodology for the 6th RHNA Cycle. SCAG's Growth Forecast is an important factor used in identifying realistic opportunities for cities to develop housing on either vacant or underutilized property. The Growth Forecast was also used to develop Connect SoCal, which is SCAG's 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). California State law requires that the methodology used by SCAG in determining RHNA allocations for cities be consistent with the vision and development patterns reflected in SCAG's Connect SoCal; this is no longer the case, since the Alternative RHNA Methodology is inconsistent with SCAG's Connect SoCal. Further, SCAG championed the value and importance of local input provided by way of the Growth

Forecast as a means identifying existing housing constraints. Accordingly, throughout the eighteen-month public input process, Coastal Cities were led to believe that the RHNA Methodology submitted to HCD would be based on an existing need determined through the Growth Forecast.

Despite the extensive information obtained from cities over the eighteen month-long public input process, and despite approvals from the RHNA Subcommittee and CHED Committee in favor of SCAG's Draft Recommended RHNA Methodology inclusive of the Growth Forecast component, the Alternative RHNA Methodology was approved by the Regional Council with the elimination of the Growth Forecast component. In doing so, the extensive input provided by cities depicting the reality of building housing in their respective communities was completely and illegally disregarded by SCAG, effectively ignoring the physical constraints encountered by cities when attempting to construct housing. Most importantly, by eliminating Growth Forecast as a component of the Methodology, SCAG's Connect SoCal has been rendered useless because the vision contained in said plan for guiding local land use development through 2045 is wholly inconsistent and at odds with the development patterns dictated by way of the Alternative RHNA Methodology for Coastal Cities.

Growth Forecast is a required component of the approved RHNA Methodology for the 6th RHNA Cycle. The issue is not whether to include Growth Forecast as a component of the RHNA Methodology, but rather what portion of the RHNA Methodology should be comprised of Growth Forecast. This ensures local input guides future land use development and maintains consistency between the long-term vision of Connect SoCal and the resulting development prescribed by RHNA allocations. The SCAG Recommended RHNA Methodology was comprised of the following factors: Job Accessibility (25%); Population within HQTAs (25%); and, Household Growth (50%). Whereas, the Alternative RHNA Methodology eliminated Household Growth and consisted of only two factors including: Job Accessibility (50%); and, Population within HQTAs (50%).

In lieu of eliminating Growth Forecast from the RHNA Methodology in its entirety, a more reasonable solution would have been to adjust the percentage of the RHNA Methodology that is allocated to Growth Forecast. For example, the RHNA Methodology could have been divided equally among the three factors as follows: Job Accessibility (1/3); Population within HQTAs (1/3); and, Household Growth (1/3) thereby producing attainable RHNA Allocations for Coastal Cities. This alternative would have allowed for Household Growth (Growth Forecast) to remain a component of the RHNA Methodology while helping to ensure greater consistency between Connect SoCal and RHNA allocations. Unfortunately, this alternative was never entertained as a potential option by the Regional Council because Coastal Cities were not provided adequate time nor information to conduct the due diligence necessary to formulate informed recommendations in advance of the November 7, 2019 Regional Council meeting.

### **Inflated Employment Projections**

After further review of the Alternative RHNA Methodology following its approval by the Regional Council, the City of Cerritos has found that the most significant factor in establishing a city's RHNA allocation is employment. According to SCAG's Connect SoCal document that was made available for public review and comment on November 7, 2019 (the very same date the Alternative RHNA Methodology was approved by the Regional Council) the City of Cerritos was identified as possessing 38,953 jobs (approximately

4,320 jobs per square mile). This determination is based on employment projections derived from SCAG's computer modeling; however, said figures are inconsistent with employment data maintained by the State of California Employment Development Department (EDD). When comparing SCAG's 2016 employment projections with employment data from the California EDD, SCAG's employment projections over-estimate the total number of jobs available in Cerritos.

As a master planned community measuring 8.9 square miles in total area, the City of Cerritos, with its strategic mix of commercial, industrial and office land uses supported a total of 25,800 jobs in October 2019, which equals approximately 2,899 jobs per square mile. SCAG's employment projections for Cerritos have been grossly over-estimated by nearly 1,421 jobs per square mile. Additionally, the inaccuracies found in the employment projections produced by SCAG leads the City of Cerritos to believe that additional errors may exist in other projections produced by SCAG for Connect SoCal and RHNA allocations, thereby supporting the need for Coastal Cities to further investigate and analyze the computer modeling and assumptions employed by SCAG for inaccuracies.

Further, it is important to note that the City of Cerritos has recently experienced a significant decline in employment due to the closure of one-time successful businesses, such as Sears, Orchard Supply Hardware, Toys-R-Us and Babies-R-Us, to name a few. The growing popularity of e-commerce has had a significant impact on brick and mortar commercial uses in the City of Cerritos. The City of Cerritos anticipates that this trend will continue to grow, resulting in the closure of additional big box retailers and the loss of jobs in the future.

Accordingly, California EDD employment data must be used in lieu of SCAG's inflated and inaccurate employment projections derived by computer modeling when establishing employment figures for the 2016 base year. Additionally, SCAG's computer modeling should take into account the significant economic and employment impacts caused by e-commerce as well as the elimination of jobs resulting from the displacement of existing developed commercial, industrial and office land uses for the accommodation of housing prescribed by RHNA allocations.

#### **High Quality Transit Area (HQTA)/High Quality Transit Corridor (HQTC) Designations**

By eliminating Household Growth (Growth Forecast), the Substitute Motion effectively doubled the Population within a High Quality Transit Area (HQTA) component of the Alternative RHNA Methodology. HQTAs are corridors—focused Priority Growth Areas (PGAs) within one half mile of an existing or planned fixed guideway transit stop or a bus transit corridor where buses pick up passengers at a frequency of every 15 minutes or less during peak commuting hours. According to SCAG's Connect SoCal, HQTAs are to be developed as Transit Oriented Developments (TODs) comprised primarily of high-density residential housing. According to SCAG, HQTAs represent the future of local land use planning that will provide for the accommodation of the majority of housing units assigned to the SCAG region, a region which encompasses nearly 38,000 square miles in total area. In accordance with SCAG's Connect SoCal, HQTAs represent only three percent of the region's total acreage, equaling approximately 1,140 square miles. However, Connect SoCal suggests that over 55% of all new housing units constructed in the SCAG region through year 2045 will be concentrated in cities that possess HQTAs. According to SCAG's

vision, less than half of the housing units built over the next 26 years will be dispersed throughout the remaining 36,860 square miles of the SCAG region.

The Alternative RHNA Methodology was done prematurely because the information used in the Alternative RHNA Methodology to assign RHNA allocations is based on the draft Connect SoCal (which is under public review and subject to further revision), and there are discrepancies between information currently contained in the draft Connect SoCal and that which will be reflected in the final Connect SoCal relating to freeways being categorized as High Quality Transit Corridors (HQTC). HQTCs are defined by SCAG as fixed route transportation corridors with headways of 15 minutes or less during peak hours of operation. HQTCs are deemed by SCAG to be the ideal location for the development of High Quality Transit Areas (HQTAs), which are envisioned to be walkable transit villages located within a half mile of a designated HQTC. Accordingly, local municipalities like Cerritos, which possess one or more freeways within its jurisdictional boundaries, are considered to be optimum locations for the development of HQTAs comprised of high density residential uses. The City of Cerritos was assigned a total of 1,952 housing units for possessing two freeways, in spite of the fact that SCAG has no intention of categorizing freeways as HQTCs in the *final* Connect SoCal. Therefore, the City of Cerritos does not qualify as a HQTA because it does not possess HQTCs and as a result the RHNA allocation for Cerritos should be reduced accordingly.

Despite the inherent inconsistencies between the vision of the draft Connect SoCal and the Alternative RHNA Methodology relative to the future of local land use development, SCAG knowingly obtained Regional Council approval of the Alternative RHNA Methodology and proceeded to assign unattainable RHNA allocation numbers to Coastal Cities. The City of Cerritos does not have an existing transit station, hub, or bus stop within its jurisdictional boundaries that qualifies as a HQTC. Further, the City of Cerritos is not an active member of Eco Rapid Transit nor is a train station being planned in the City of Cerritos as part of Los Angeles County Metropolitan Transportation Authority (Metro) West Santa Ana Branch (WSAB) Project. Since the City of Cerritos does not anticipate any future transit station, hub, or stop that would operate at intervals of 15 minutes or less, the City of Cerritos should not be designated as possessing a HQTA in the Connect SoCal. The City of Cerritos requests that SCAG accurately convey in Connect SoCal that HQTAs and HQTCs do not exist in Cerritos nor will they at any time in the future. In doing so, SCAG shall be expected to adjust the corresponding factors used in computing the RHNA allocation for the City of Cerritos.

#### **Long Term Economic Implications Associated with Unfunded Housing Mandates**

Coastal Cities will endure long-term adverse economic impacts brought about by having to construct more than their fair share of the region's housing units. In the case of fully developed cities like Cerritos, new housing opportunities could only be entertained on underutilized existing developed commercial, office and industrially zoned property, resulting in the loss of jobs and sales tax revenue generating businesses. However, the long-term economic impacts resulting from the conversion of these land uses to housing, go far beyond the loss of jobs and sales tax revenue, as the greatest cost to cities is the expense of providing core city services to thousands of new residents.

Per the United States Census, it is estimated that every household in the County of Los Angeles provides living accommodations for an average of 3.01 residents. Therefore, SCAG's RHNA allocation of 1,952 housing units for the City of Cerritos is projected to

increase the local Cerritos population by 5,876 new residents. The City of Cerritos currently expends nearly \$2,000 per resident on a per capita basis for the provision public services and programs. Accordingly, the City of Cerritos will be required to either expend an additional \$11.8 million annually for the provision of core city services or reduce the existing level of services an equal amount to offset the added cost of providing said services to new residents.

To make matters worse, “no-and-low” property tax cities receive less than one third of the property tax revenue generated by general property tax cities. According to existing property tax laws in California, cities throughout the SCAG region will not receive sufficient property tax revenue to offset the loss of sales tax revenue-generating and job producing businesses displaced by housing, nor will cities receive sufficient property tax revenue to cover the cost of providing the required core city services for new residents. The long-term economic implications to “no-and-low” property tax Coastal Cities like Cerritos, which have been assigned the bulk of the region’s housing units will be devastating. Therefore, it is imperative that the RHNA methodology employed for the 6th Cycle distribute housing throughout the entire SCAG region in a fair and equitable manner and not unjustly subject Coastal Cities to a disproportionate amount of housing units simply to appease San Bernardino and Riverside Counties and the special interests of their respective Regional Council members.

#### **Conclusion**

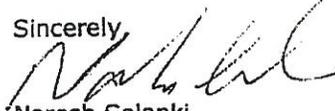
The lack of adequate public notice and due process during the November 7, 2019 meeting, along with the inappropriate direction provided by members of the Regional Council to SCAG staff outside of the lawfully required public hearing process, are sufficient grounds for reconsideration by the Regional Council of the Alternative RHNA Methodology. Further, despite what was inaccurately conveyed by SCAG to HCD in its letter dated November 21, 2019, the Alternative RHNA Methodology was not developed with local input because said methodology eliminated Growth Forecast in its entirety, which was derived from input from local municipalities over the course of eighteen months. Additionally, SCAG did not inform cities, nor make the Alternative RHNA Methodology available for review and comment, until two days prior to the Regional Council meeting of November 7, 2019 effectively preventing Coastal Cities from being able to adequately analyze said methodology for the purpose of assessing its impacts on their respective communities. Lastly, the inaccuracies identified in SCAG’s projected employment figures, inconsistencies between Connect SoCal and RHNA in the vision for local land use, and conflicting policies for designating HQTCS that adversely affects cities with freeways and that current RHNA projections are based on draft information contained in Connect SoCal further supports the need for SCAG to reject the Alternative RHNA Methodology as the recommended methodology for the region.

The Regional Council must reconsider the SCAG Recommended RHNA Methodology along with the Alternative RHNA Methodology at a duly noticed public meeting in which cities are allotted adequate time to fully vet the merits of each methodology and are provided an opportunity to introduce changes to either methodology for further Regional Council consideration. Only such actions on the part of SCAG would allow Coastal Cities to restore their faith in the Nation’s largest Metropolitan Planning Organization (MPO), an organization that was formed to develop long-range transportation and land use plans while protecting the collective interest of all of its member cities rather than the special interests of a few.

City of Cerritos – Letter of Opposition to SCAG RE: Alternative RHNA Methodology  
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The City of Cerritos would like to thank SCAG in advance for doing what is necessary to protect the integrity of the MPO and the RHNA process, and for ensuring that a RHNA methodology is adopted that justly allocates housing to all cities regardless of their size, geographical location and regional influence. Please do not hesitate to contact Cerritos Senior Assistant City Manager Torrey Contreras at (562) 860-0311 or [tcontreras@cerritos.us](mailto:tcontreras@cerritos.us) should you have any questions about the information contained and/or issues addressed in this letter.

Sincerely,



Naresh Solanki  
MAYOR

cc: State of California Department of Housing and Community Development (HCD)  
Gateway Cities Council of Governments (COG)  
Orange County Council of Governments (OCCOG)