Communication from Public

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Comments for Public Posting:	United Neighborhoods for Los Angeles (UN4LA) submits the attached comments on the proposed Housing Element Update.

United Neighborhoods for Los Angeles

www.un4la.com

October 31, 2021

To: Planning & Land Use Management Committee
Re: Draft Los Angeles Housing Element & EIR
CPC-2020-1365-GPA
CPC-2021-5499-GPA
CEQA: ENV-2020-6762-EIR; SCH. NO. 2021010130
Council File 21-1230

Members of the Planning & Land Use Management Committee,

United Neighborhoods for Los Angeles (UN4LA) is a community group formed to foster better planning and better government within the County of Los Angeles, and all cities and unincorporated areas contained within the County's borders. UN4LA's primary areas of focus are planning, development, the environment and budget/finance.

UN4LA has reviewed the proposed Housing Element Update and the associated EIR. We are deeply concerned about many aspects of the Update, including the following:

1. *The City fails to acknowledge that LA already has ample zoned capacity to meet its housing needs.*
2. *The City's over-reliance on density bonus programs to promote the construction of affordable housing has produced an excessive number of units for Above Moderate*

Income Households, while failing to create anywhere near the required number of Moderate, Low and Very Low Income Households.

3. *The reliance on a flawed analysis by the Terner Center*
4. *The City's ongoing failure to monitor the ability of its infrastructure to serve current and future residents.*
5. *The EIR's serious failures to assess the Housing Element Update's impacts with regard to water resources and solid waste.*

Our detailed comments are below. We urge the Committee to postpone making a recommendation on the Housing Element Update until these concerns have been addressed.

Sincerely,
Casey Maddren, President
United Neighborhoods for Los Angeles

HOUSING ELEMENT UPDATE

COMMENTS FROM UN4LA

Zoned Housing Capacity and Future Needs

The Draft Housing Element represents a confused response to three contradictory realities.

First, LA is vastly over-zoned**.** It has been 22 years since the Los Angeles Department of City Planning (LADCP) last calculated the buildout of LA's adopted zoning ordinances. This analysis was part of the 1996 General Plan Framework Element's Environmental Impact Report. In 1996 LA's population was 3.5 million people, and its zoning build out population was 7.2 million people according to the Framework Final Environmental Impact Report, Chapter 7, Table T-1F, *Summary of Alternatives by Community Plan Area*. Since then, the City of Los Angeles adopted an Accessory Dwelling Unit (ADU) ordinance and two Density Bonus ordinances. Together they lifted LA's potential zoning build-out population to around 9,000,000 people, or more than double LA's 2020 US Census population of 3.9 million people.

Much of this existing zoning is on under-utilized commercial streets. Their zoning automatically allows R3 and R4 apartments, all of it on transit corridors, with permitted densities of 70 to 100 units per acre. These apartment buildings could easily accommodate the Housing Element's Very-Low and Low-Income housing requirements, per SCAG's RHNA allocation to Los Angeles of 450,000 residential units, without any discretionary actions. The combination of existing zoning and new density bonus laws that encourage Low and Very-Low income housing would allow most of the existing one and two story commercial buildings on these transit corridors to be replaced by three-story to six-story residential apartment buildings. These in-fill buildings could consist of Low and Very Low income apartments. In fact, the General Plan Framework Element's Chapter Two states:

"While [the Framework's] housing capacity is more constrained than commercial and industrial uses, the Plan's capacity for growth considerably exceeds any realistic market requirements for the future. For example, there is sufficient capacity for retail and office commercial uses for over 100 years even at optimistic, pre-recession, market growth rates."

Second, most of this available zoning is under-utilized because private sector developers prefer to build in neighborhoods where their expensive, market-rate apartment buildings generate a high rate of return. According to the *LA Development Map,* these development nodes are Downtown Los Angeles (DTLA), Westlake, Koreatown, Hollywood, Miracle Mile, the Beverly Center-Pacific Design Center corridor, Valley Village, and Warner Center. Furthermore, if the zoning the developers need for their mega-projects is not immediately available, they can apply for zoning waivers, which the City grants in 90 percent of cases.

Third, the draft Housing Element tries to reconcile these contradictory realities with a model from the UC Berkeley-affiliated but private sector financed Terner Center. The Terner Center model downplays the untapped development potential most available zoning, and it

conveniently concludes that LA should up-zone in the same popular neighborhoods where, understandably, private developers prefer to build their expensive and most profitable housing.

These are some of the methods that the Housing Element model uses to produce exactly what real estate developers want: *up-zoning in neighborhoods that their business models and financial advisors target*. If adopted by the City Council, the Housing Element's recommended changes would save the developers considerable time and money. As a result, the adoption of the draft Housing Element would allow their Return on Investment (ROI) to substantially increase. Unfortunately, it would also lead to a continuation of the severe housing imbalance that is the real root of our problems. Adoption of the Housing Element Update as currently proposed will continue to prioritize the desires of real estate investors over the needs of LA's citizens.

1. The Terner Center's model is based on 13 variables. In combination, they are supposed to indicate the likelihood that any one of the 700,000 parcels in Los Angeles that permit residential uses, would be developed at Lower-Income, Moderate-Income, and Above-Moderate-Income levels within the Housing Element's nine year 2021-2029 planning period.

2. The draft Housing Element's Chapter 4 claims that all developable sites identified by the Terner Center model have sufficient water, sewer, utilities, and public services. This claim is not credible because much of LA's infrastructure is already at the breaking point. The city's bumpy streets and sidewalks have become an embarrassing obstacle course, while broken water mains and electric grid blackouts regularly occur. The Housing Element plans for substantial population increase while all of the City's water resources are declining. And the City is nowhere near meeting the requirements of State law with regard to the diversion of solid waste to recycling. Furthermore, the Department of City Planning has still not established the infrastructure monitoring unit that the adopted 1996 General Plan Framework required. Likewise, the Planning Department has not prepared a General Plan Framework-required monitoring report on LA's infrastructure and public services since 1999. This may explain why the draft Housing Element's claim that all developable sites already have sufficient infrastructure is immediately contradicted by its next sentence, *"The City's infrastructure capacity and availability are being analyzed in the environmental analysis prepared for this update to the Housing Element."* When it comes to the affordable housing crisis, the draft Housing Element commitment to upzoning supersedes sound planning principles, such as ensuring sufficient infrastructure capacity prior to up-zoning (General Plan Framework Element Objective 3.3).

3. Because most housing built in Los Angeles results from private investment, and because investors choose to build the more profitable Above Moderate Income housing, the model reveals a major shortfall (Draft Housing ElementTable 4.17) of 130,000 Lower-Income units and 73,000 Moderate-Income units. Given this shortfall the obvious question ought to be why the private sector produces so few Lower-Income and Moderate-Income units. *Could it possibly be the low profits and low incomes of potential renters and buyers?* The obvious policy response should then be strategies to meet these huge unmet housing needs with non-market, publicly funded housing and by

increasing wages among prospective tenants. This makes far more sense than the draft Housing Element's Program 121: Large scale up-zoning based on the dubious claim that this up-zoning would somehow fill the low income housing shortfall.

Furthermore, because zoning laws cannot stipulate the rents of constructed apartments, there is no way that the City Hall could prevent developers of Above-Moderate-Income housing from taking advantage of up-zoning, especially in affluent neighborhoods, to build market-rate, luxury projects, and king-sized McMansions. While a comprehensive monitoring program could quickly detect this misuse of up-zoning, this appears to be a missing component in the 2021-2029 Housing Element.

4. To meet the shortfall in all housing categories, the Housing Element extensively relies on enhanced density bonus ordinances contained SB 1818 and the TOC Guidelines They are renamed Community Plan Implementation Ordinances, but still based on the legally precarious Transit Oriented Community Guidelines. Assuming that these ordinances would be adopted through the 16 Community Plan Updates now underway, they face considerable hurdles. First, LA's Department of Housing and Community Investment (HCID) does not physically inspect any TOC housing projects to confirm that the developer-pledged low-income units exist. Second, the registry of these Low-Income units is unreliable. According to a recent report published in Capital & Main (L.A.'s Affordable Housing Programs Leave Low-Income Renters in the Dark, September 7, 2021, https://capitalandmain.com/l-a-s-affordable-housing-programs-leave-low-income-renters-in-the-dark), HCID's affordable housing registry fails to include a significant number of units produced under density bonus programs. Third, HCID does not maintain a registry of vetted Extremely-Low-Income, Very-Low-Income, and Low-Income tenants that landlords could refer to.

Until the Housing Element can overcome the political barriers and legal challenges in adopting the 16 Community Plan Updates underway, with attached up-zoning and Community Plan Implementation Ordinances, the Housing Element could not successfully address the forecast shortfall in Lower-Income and Moderate-Income units.

There are also serious shortcomings with the Terner Center's model that Los Angeles City Planning (LADCP) is relying on for its Draft 2021-2029 Housing Element:

1) *Monitoring.* The City of LA has no ongoing monitoring program to determine if the model's assumptions and forecasts are correct, and if any of the regression model's 13 variables should be changed.

2) Limits of regression analysis. Regression analysis is based on extrapolating current and causal connections from correlations. While regression lines can extend these statistical relationships into the future, they cannot anticipate and self-correct for the unpredictable black swan historical events that often confound models. For example, the 1996 General Plan, relying on SCAG's regression-based population model, predicted a 2010 Los Angeles population of 4.3 million residents. Yet, in 2021 LA's population is only 3,900,000 people based on the 2020 census, and no one knows if Los Angeles will eventually reach SCAG's 2010 prediction of 4.3 million people.

This is because of the weakness of regression models. These models cannot readily respond to Pandemics, recessions, depressions, wars, and climate change induced mega-storms. Parcel forecasts from the Terner Center's model cannot anticipate new government housing programs, new tax laws, fluctuations in interest rates, future labor contracts, supply chain breakdowns, changes in consumer housing preferences, amended building codes, inflated transportation costs, and sudden technological breakthroughs. This is why forecasts based on trend analysis often fall short, and why they must be continuously monitored to properly work.

3) *Inherent weakness of changing zoning laws*. Up-zoning, including density bonuses and tax breaks, cannot force investors and developers to build and operate anything, especially lower-priced housing. In fact, the market housing that it builds eliminates more existing low-income housing than it creates. That is why up-zoning results in gentrification, not a reduction of homelessness.

4) *Planning out of sequence*. Up-zoning ordinances are not integrated into the planning process, and they therefore often overlook important planning issues. Even though the General Plan Framework's Policies 3.3.1 and 3.3.2 stipulate that up-zoning should be predicated on the documentation of available infrastructure, the draft Housing Element's extensive up-zoning side-steps this requirement and, therefore, jeopardizes LA's already precarious public services and infrastructure.

EIR: Water Supply & Facilities

With regard to water usage, the Initial Study asks:

Would the project:

a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?

b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?

c) Result in a determination by the wastewater treatment provider which serves or may serve
the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

While the EIR says that the Project could have potentially significant impacts in all three of these areas, the chapter Utilities & Service Systems ultimately finds that impacts in these areas would

be less than significant. To reach this conclusion, the EIR references LA City's 2020 Urban Water Management Plan (UWMP).

Page 4.16-47 states that:

> *To determine demand on water facilities and water supply for Thresholds 4.16-4 and 4.16-5, demand from build out of the RHNA is determined based on the physical connection of 420,327 housing units to the City's potable water supply system, and applicable utility rates per type of housing unit included in the LADWP 2020 UWMP. Long range water demand forecasts in the 2020 UWMP are based on SCAG growth projections for the 2020-2045 RTP/SCS, which projects increases in housing to address the housing shortage in Southern California and a related reduction in persons per household. Therefore, per the 2020 UWMP, per unit water demand is forecast to decline over time. This is consistent with RHNA assumptions, in which full build-out of the RHNA units would foreseeably reduce the average utility rate per housing unit. [Emphasis added.]*

The 2020 UWMP also says that its demographic projections are based on SCAG data. On page 1-6 it states:

> *Demographic projections were provided for the LADWP service area by MWD, which received projected demographic data from Southern California Association of Governments (SCAG).*

What is bewildering is that the Housing Element states that RHNA Allocations are based on SCAG projections, and the 2020 UWMP states that its housing data is based on SCAG projections, but the results they come up with are wildly different.

In the chapter on Utilities & Service Systems, the EIR states that of the RHNA Allocation of 456,643 units, 420,327 units will be physically connected to the City's potable water supply system. But while the EIR references the City of LA's 2020 Urban Water Management Plan (UWMP), the City's RHNA Allocation is far beyond the housing projections given by the UWMP.

Under Demographics and Climate, on page ES-5 of the Executive Summary, the UWMP states:

> *The total number of housing units increased from 1.10 million in 1980 to 1.44 million in 2020, representing an average annual growth rate of 0.8 percent.*

In Exhibit ES-C, Demographic Projections for LADWP Service Area, the UWMP makes the following projection for the year 2030:

	2030
Single-Family	639,280
Multi-Family	969,198

Total **1,608,479 [sic]**

To find net growth projected by the UWMP, we subtract the estimate of 2020 housing units from the 2030 projection:

1,608,479

\- *1,440,000*

168,479 Net growth in housing units per 2020 UWMP

This shows that the growth projected for the year 2030 by the UWMP is far below the 420,327 units assessed by the Housing Element by 2029. The UWMP's calculations regarding projected water usage by 2030 are based on a net gain of 168,479 new units. The Housing Element's 2029 projection is about 2.5 times that number. Based on the UWMP's water supply projections, the Housing Element claims that there will be ample water to serve new customers even with the addition of new housing to comply with the RHNA Allocation. But the numbers here aren't even close to corresponding. If LA were to grow in accordance with RHNA numbers, the population would far exceed the figures that the UWMP actually plans for. In addition, the UWMP's projections are based on very optimistic assumptions regarding both future water deliveries, future conservation and future stormwater capture.

LA's hydrology is changing, and the proposed Housing Element fails to take this into account. Please see this excerpt from page 7 of the May 2021 report from the CA LAO's Office, What Can We Learn From How the State Responded to the Last Major Drought?

https://lao.ca.gov/reports/2021/4429/learn-from-last-drought-051321.pdf

> *State Is Experiencing Another Multiyear Dry Period*
> *California experienced below average precipitation in 2020—receiving only roughly 60 percent of the rain and snow that falls in a normal year. So far, 2021 is shaping up to be even drier. As of May 10, 2021, precipitation levels were tracking at 48 percent of average for the year in the Northern Sierra region, 49 percent in the mid-Sierra San Joaquin region, and 36 percent further south in the Tulare Basin region. At this point in the "water year" (which measures precipitation from October through September each year), 2020-21 represents the third driest year on record, with little chance of significant additional precipitation on the horizon until the fall. Current snowpack levels are roughly 9 percent of normal for this time of year for the Northern and Central Sierra regions, and only 4 percent of normal for the Southern Sierra. Moreover, all of the major reservoirs across the state currently contain less water than historical average levels this date, with the two largest—Shasta and Oroville—at 56 percent and 50 percent of average levels, respectively. In many of the state's major rivers—including the Feather and American*

Rivers, and the inflow into Shasta Lake—current flow rates are currently tracking below the runoff levels for the same date in 2014 and 2015.

Please also see this excerpt from the Union of Concerned Scientists Climate Hot Map.

Union of Concerned Scientists, Climate Hot Map
https://www.climatehotmap.org/global-warming-locations/hetch-hetchy-ca-usa.html

Meeting California's growing demand for water from the Sierra Nevada mountains can be a challenge as global warming further reduces snowpack. That decline is likely to affect both the timing and availability of water for drinking, agriculture, and recreation.

- *The Sierra snowpack provides natural water storage equal to about half the capacity of California's major human-made reservoirs. Earlier spring runoff typically means a longer dry season and reduced water resources in summer.*
- *By the 2020s, loss of snowpack in the Sierras and Colorado River basin is likely to threaten more than 40 percent of Southern California's water supply.*
- *If our heat-trapping emissions continue to rise unabated, California is projected to face critically dry years up to 50 percent more often, and decreases in water for crops and livestock of 40-50 percent.*

With Sierra Nevada snowpacks already in decline, and projected to decline further, it seems likely that the City will not be able to rely on deliveries from the LA Aqueduct to the same degree that it has in years past.

The UWMP's assessment of future water supplies is also undermined by unforeseen recent events that occurred after it was prepared. Water levels at Hoover Dam/Lake Mead have fallen faster than anyone expected, indicating that Southern California will be forced to accept a reduced allocation from the Colorado River. See this excerpt from the LA Times:

'Unrecognizable.' Lake Mead, a lifeline for water in Los Angeles and the West, tips toward crisis, LA Times, July 11, 2021
https://www.latimes.com/world-nation/story/2021-07-11/lake-mead-hoover-dam-drought-nevada-arizona-california

"Next month, the federal government expects to declare its first-ever shortage on the lake, triggering cuts to water delivered to Arizona, Nevada and Mexico on Jan. 1. If the lake, currently at 1,068 feet, drops 28 more feet by next year, the spigot of water to California will start to tighten in 2023."

Immediately following the declaration of a shortage by the Bureau of Reclamation, the MWD issued a water supply alert:

Metropolitan Declares Water Supply Alert in Response To Severe Drought
https://www.mwdh2o.com/newsroom-press-releases/metropolitan-declares-water-supply-alert-in-response-to-severe-drought/

EIR: Solid Waste

It's not surprising that the EIR relegates the discussion of solid waste to the appendix containing the Initial Study. The City's record on solid waste is appalling. Worse, the City refuses to even acknowledge its failures in this area, and instead continues to make false claims based on old data to support its environmental assessments.

The Initial Study asks:

> *Would the project generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?*
>
> *Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste?*

The EIR concludes that the construction of over 400,000 new units would have a less than significant impact. Unfortunately, the EIR's findings in this regard cannot be considered credible. On page 137 of the Initial Study, the authors state the following:

The City has enacted numerous waste reduction and recycling programs in order to comply with the California Integrated Waste Management Act (AB 939), which require every city in California to divert at least 50 percent of its annual waste by the year 2000, and be consistent with AB 341, which sets a 75 percent recycling goal for California by 2020. As tracked by the City's Zero Waste Progress Report, the City achieved a landfill diversion rate of 76.4 percent as of 2012 (City of Los Angeles Sanitation 2013). The City of Los Angeles has also prepared a Solid Waste Integrated Resources Plan (SWIRP), which contains long-term goals, objectives and policies for solid waste management for the City. It specifies that the City's Zero Waste goal is to reduce, reuse, recycle, or convert the resources currently going to disposal so as to achieve an overall diversion rate of 90 percent or more by the year 2025 (LASAN 2013).

One might first ask why the EIR cites data from 2012 to support its claims about diversion to recycling. The City is nowhere near the claimed 76.4 percent rate of diversion to recycling. While the City does not publish annual data to show its actual rate of diversion to recycling, a recent PRA request appears to show that the City's RecycLA program is actually diverting less than 20 percent of solid waste to recycling. This is far below the claimed rate of 76.4 percent, and does not even meet AB 939's requirement of 50 percent diversion.

Since 2012, significant changes have occurred with regard to solid waste disposal. Up until 2018, the City had been shipping most of its recyclable materials to China, but China has largely closed its doors to imported waste. When exports to China ceased, this created a glut of recycling materials in California, driving down prices for recyclables and resulting in the closure of many recycling companies. Faced with this crisis, in 2019 the City amended the contracts it had entered into with waste haulers participating in the RecycLA program, reducing the targets for diversion to recycling.

The EIR's claim that the City will achieve a rate of 90% diversion to recycling by 2025 is not credible. Furthermore, the City is currently NOT diverting 50% of solid waste to recycling and therefore, contrary to the EIR's assertion, not in compliance with the requirements of AB 939.

The vast majority of new multi-family units created pursuant to the RHNA Allocation will be served by RecycLA, which serves all commercial and large multi-family residential structures. Based on the above, it is clear that the EIR's claim that there will be no significant impact is not supported by substantial evidence. In fact, it's not supported by any evidence at all.

The City will claim that there is still no significant impact, since the City has adequate landfill capacity to handle the increase in solid waste. However, landfills are a significant source of GHG emissions. Please see the following section from the City's Solid Waste Integrated Resources Plan:

> *1.2.2.2 Greenhouse Gas Emissions Reductions*
>
> *The waste sector in the U.S. emitted approximately 100 million metric tons of carbon dioxide equivalent emissions in 2012, which represents the sixth-largest generator in the industry sector. [….] Landfills are the third-largest source of generated methane emissions in the U.S. and contributed approximately 17.5 percent of the total U.S. emissions of generated methane in 2011.*

The EIR fails to assess additional GHG emissions that would result from increased landfill deliveries under the proposed Housing Element. Based on the evidence cited above, it is clear that the EIR fails to adequately assess the impacts of the Housing Element with regard to solid waste.