

October 14, 2020

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

Subject: City of Torrance Appeal of the Sixth Cycle Draft Regional Housing Needs Assessment (RHNA) Allocation.

Dear Mr. Ajise:

On behalf of our residents, and in accordance with applicable Government Code Section 65584.05, the City of Torrance (City) hereby submits this appeal to the Southern California Association of Governments (SCAG) Draft Regional Housing Needs Assessment (RHNA) Final Allocation (Final RHNA Allocation), received September 11, 2020, for the Sixth Housing Element Cycle (2021-2029) (referred to herein as the 6th Cycle).

A revision to the Final Draft Allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). In addition, this appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy (SCAG's Connect SoCal Plan) developed pursuant to Government Code Section 65080(b)(2) as explained herein. This appeal is based on the following grounds:

- 1) **Local Planning Factors** - *SCAG failed to adequately consider the information previously submitted by the City of Torrance that articulated a variety of local factors that directly influence housing production;*
- 2) **Methodology**- *SCAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Government Code Section 65584(d); and*
- 3) **Changed Circumstances**- *A significant and unforeseen change in circumstances has occurred that supports revisions to the information submitted pursuant to Government Code Section 65584.04(b).*

Grounds for the City of Torrance Appeal

1	Local Planning Factors	<i>SCAG failed to adequately consider the information submitted pursuant to Section 65584.04(b).</i>
<i>Lands Preserved or Protected from Urban Development Under Federal or State Programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis</i>		

The City has several major constraints on existing lands that severely limit or totally restrict the city's ability to accommodate growth to the extent identified in the Draft Allocations.

Local planning factors demonstrate severe limitations in the City's ability to accommodate the Draft RHNA allocations. The City provided written correspondence to SCAG during the RHNA Methodology process which articulated these concerns

The City of Torrance has a number of legitimate and justifiable claims to demonstrate the SCAG's failure to adequately consider local factors. The failure to adequately address these local factors further undermines Govt. Code Section 65588(d).

The following factors, pursuant to Govt. Code Section 65584.04(e), are relevant to determine the City of Torrance's ability to accommodate growth and were not adjusted for in the Draft Allocation.

(a) Local Factor: Coastal Zone Limitations Not Considered in Methodology

Although SCAG is not permitted to limit its considerations of suitable housing sites to a jurisdiction's existing zoning and land use policies, and the cities should consider other opportunities for development such as the availability of underutilized land or infill development with increased residential densities, SCAG should consider a city's ability to rezone or increase densities for residential development when subject to jurisdiction of other agencies, such as the California Coastal Commission. For Torrance, 123 acres of the City, as shown in ***Exhibit A: Coastal Zone Boundary***, is within the Coastal Zone and is subject to the oversight by the California Coastal Commission.

A major goal of the California Coastal Act is to assure the priority for coastal-dependent and coastal-related development over other development in the Coastal Zone, which is a constraint on residential development, particularly in areas on or near the shoreline.

In 1972, California voters passed Proposition 20, the Coastal Zone Conservation Act. The Coastal Zone Conservation Act to protect public access to the coast, to promote visitor-serving uses and to limit residential development and speculation along the coast. The Coastal Act was subsequently adopted in 1976 and the California Coastal Commission was formed to administer Coastal Act.

The Coastal Act is umbrella legislation designed to encourage local governments to create Local Coastal Programs (LCPs) to govern decisions that determine the short- and long-term conservation and use of coastal resources. While the City does not currently have an adopted LCP, it would be considered the legislative equivalent of the City's General Plan for areas within the Coastal Zone. Local Coastal Programs are obligated by statute to be consistent with the policies of Coastal Act and protect public access and coastal resources. While Torrance does not have an adopted LCP, the City must comply with the requirements or limitations imposed by the Coastal Act.

Therefore, the extraordinarily high RHNA allocations for Torrance may require pursuing significant new high-density, multi-family housing within the Coastal Zone and would require Coastal Commission certification of a Local Coastal Program (LCP). The LCP would include rezoning to allow higher density residential uses in commercial and visitor-serving zones, increasing height, floor area ratio, and density allowances, and reductions in off-street parking standards that would directly undermine the Coastal Act's requirements for coastal access, coastal views, and protection of visitor-serving uses. While SCAG is permitted to consider Torrance's ability to change its zoning, it cannot require members to violate other laws to do so.

(b) Local Factor: Airport Environs Land Use Plan (AELUP)

The City's Airport Area contains approximately 369 acres of land that will be restricted from future development, as shown in **Exhibit B: Airport Lands**. Lands located within the Airport Planning Area for Zamperini Field, otherwise known as Torrance Municipal Airport (TOA) area subject to the development restrictions of the Torrance Airport Environs Land Use Plan (AELUP) limit the ability to develop residential units. Any amendment to the City's General Plan or zoning, including the rezoning for residential use, requires the review by the Airport Land Use Commission (ALUC). Due to restrictions associated with noise and safety, it is unlikely the Airport influence areas will be adjusted to accommodate the potential of residential development in the future.

Residential development of the Airport Area is restricted due to the noise impacts of TOA. Much of the southwestern portion of the airport area is located in the TOA Environs Land Use Plan (AELUP) 65 dBA CNEL, which is unsuitable for residential and other "noise-sensitive" uses.

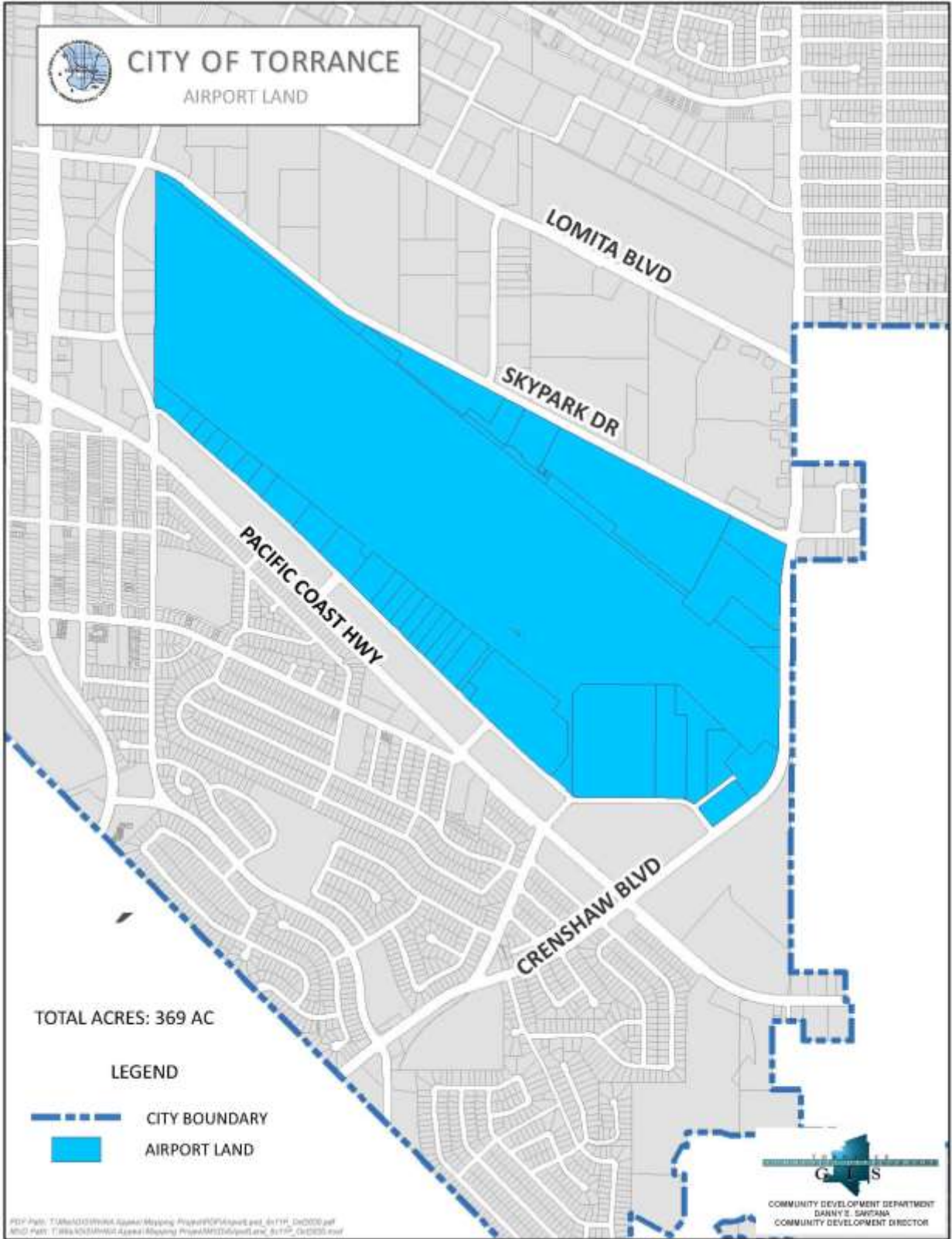


Exhibit B
Airport Lands

Additionally, there are building restrictions and height limitations imposed by the Airport Land Use Commission. According to the Airport Land Use Plan for TOA, there are portions within the Torrance Airport influence area that restrict or limit the development or any residential development. As shown in **Exhibit C: Airport Safety Zones**, approximately 65 acres of additional land adjacent have restrictions for residential development.

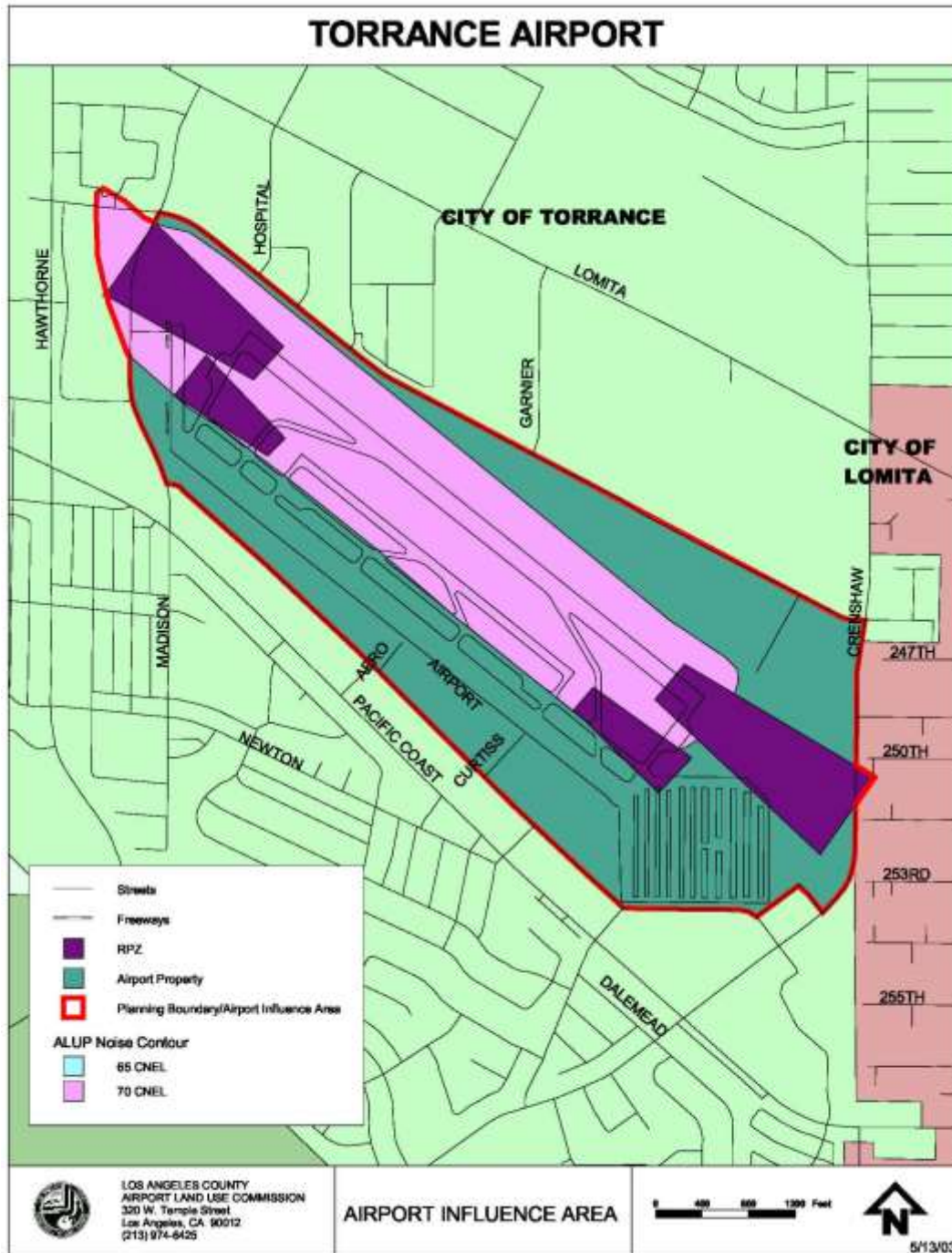


Exhibit C
Airport Safety Zones

Requisite analysis for 6th Cycle housing elements will require review of adequacy of sites based upon known environmental factors, including noise and safety impacts. The limitation of the use of these sites further limit the ability for the City of Torrance to accommodate future residential growth.

The City anticipates ALUC will oppose future rezoning efforts for increased residential development in the Airport Area due to its inherent conflicts with residential development project. Due to proximity to the Airport, ALUC may find future projects in the Airport Influence area to be inconsistent due to the potential for complaints from future residents and safety impacts within and directly outside the identifies safety zones.

(c) Local Factor: Lands Protected and/or Precluded from Development Activity

i. Protected Natural Lands

Approximately 44.86 acres of land in the city is designated as protected land, which contains environmentally sensitive habitat areas and cannot be utilized for residential development. These areas are identified in ***Exhibit D: Protected Lands***

Madrona Marsh is an important wildlife habitat area in Torrance. The distinctive vernal marsh has been designated as a permanent ecological reserve since 1986. The protected lands will be a preserved in perpetuity, eliminated the potential for future residential development on the site.

Various retention and detention basins (sumps), certain parkland on other sites preclude the development of residential development, including:

- Entradero Park – significant natural open space
- Henrietta Marsh – vernal marsh
- Los Arboles Park – Natural areas with native landscape
- Torrance Beach – shoreline and tidal systems
- Walteria Detention Basin – Seasonal Lake and wetlands
- Various Detention Basins – Sumps provide seasonal natural habitat

Several of the natural communities that occur in Torrance are designated rare by the California Department of Fish and Wildlife (CDFW) and are easily disturbed or degraded by human activity and therefore are presumed to meet the definition of Environmental Sensitive Habitat Area (ESHA) under the Coastal Act.



Protected Land Areas

TOTAL ACRES: 44.86 AC

Legend

- Protected Land
- City Right-of-Way
- Railroad
- City Boundary



Danny E. Santana
Community Development Department Director

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Exhibit D
Protected Lands

ii. Seismic Hazards, Landslide and Liquefaction Zones

Strong ground shaking can result in liquefaction. Liquefaction, a geologic process that causes ground failure, typically occurs in loose, saturated sediments primarily of sandy composition. Areas of Torrance, especially in areas to the southwest of the City, possess areas susceptible to seismic hazards, liquefaction and related ground failure including landslide. As shown in **Figure E** and **Figure F**, much of these hazard areas also are in areas where vacant land with potential for residential development could occur but are limited by these hazards.

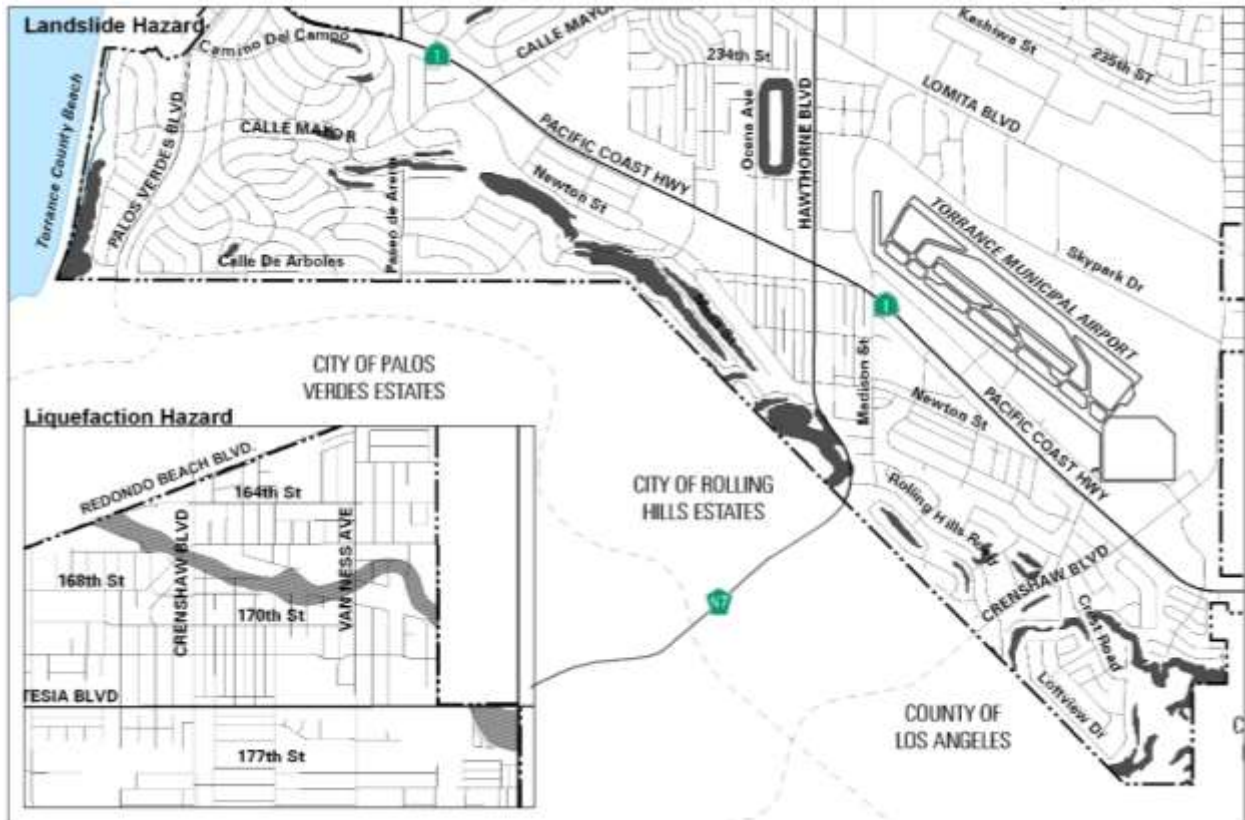


Exhibit E
Landslide and Liquefaction Hazards

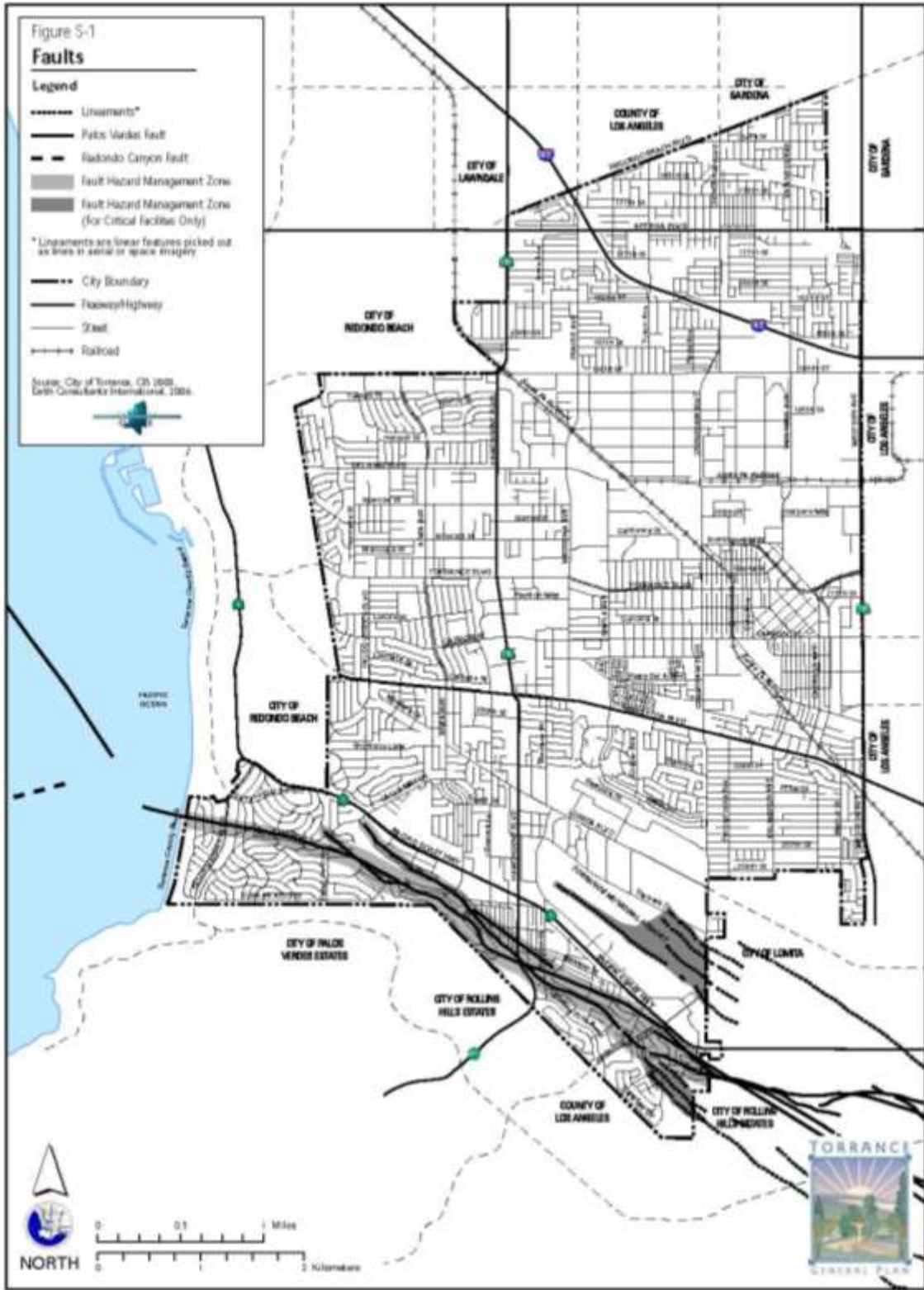


Exhibit F
Seismic Hazards

iii. Refinery and Chemical Production

Approximately 1,057 acres in Torrance are dedicated to refinery and chemical production. As shown in **Figure G: Refinery and Chemical Production**, the refinery produces gasoline, diesel, jet fuel, liquified petroleum and related products. Due to the critical nature of this infrastructure and the innate conflicts this infrastructure has with the development of housing, its is highly unlikely that the refinery area and supporting facilities will accommodate residential development in the future.

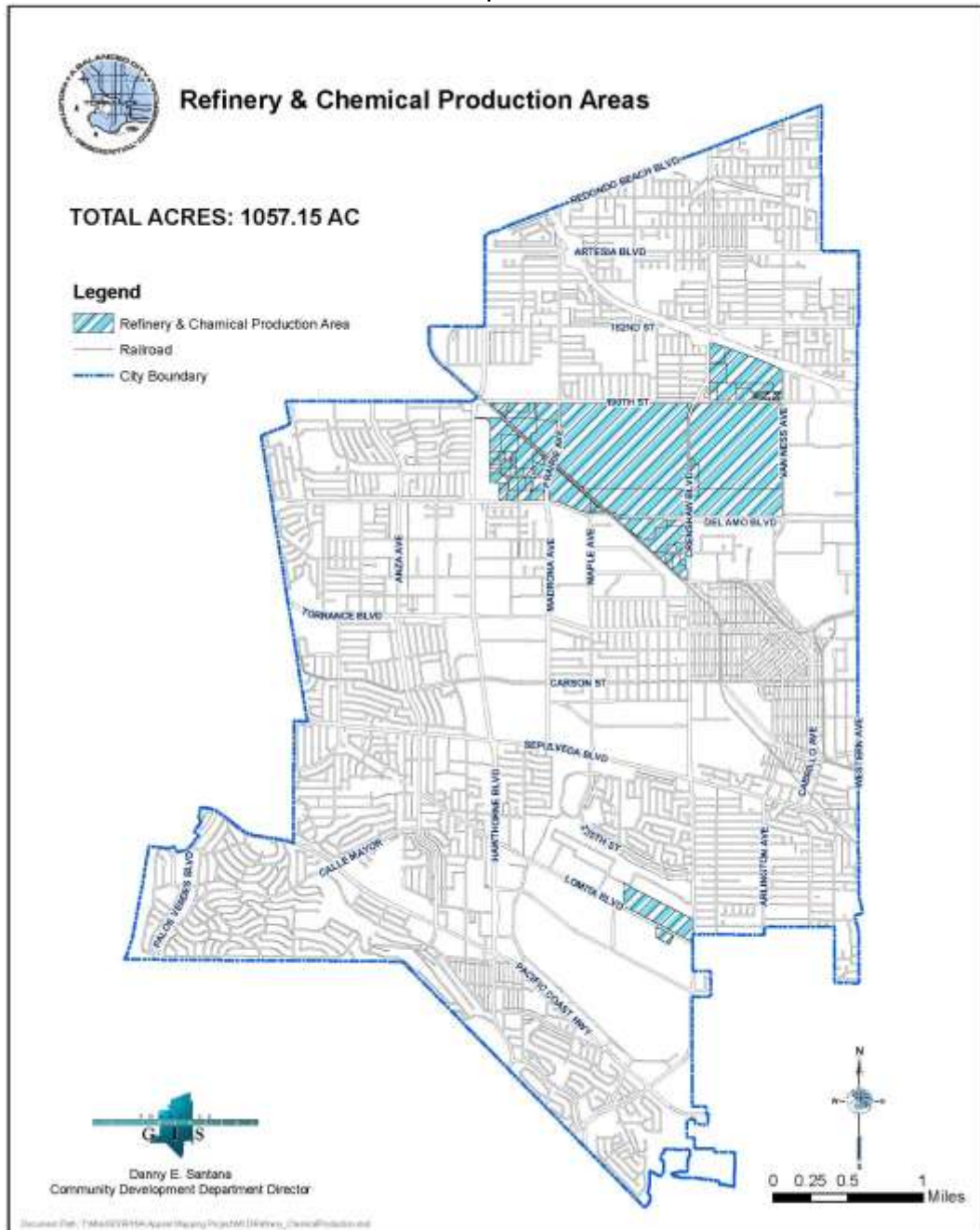


Exhibit G
Refinery and Chemical Production

(d) Summary of Land Use Constraints

When the City of Torrance compiles all lands exhibiting constraints that severely limit or restrict residential development within its jurisdiction, a considerable amount of land is not available to accommodate the RHNA allocation of 4,928 units for the 2021-2029 planning period. **Exhibit H: Summary of Available Vacant Lands** illustrates the lands currently available to accommodate future residential growth.

The current SCAG RHNA methodology does not permit the consideration of existing hazards as a criteria when identifying land to accommodate future growth. This would be an important consideration in Torrance as many sites that might normally be deemed viable are constrained by these hazard considerations. There is precedent that permits the consideration of constraints in determining available land. The Draft Methodologies for the Association of Bay Area Governments (ABAG), a 10% adjustment factor is permitted to accommodate the considerations of hazards into the determination of RHNA Allocations. The SCAG methodology does not, but should, permit this factor as it results in an overstated RHNA for the City of Torrance.

Table A provides a statistical summary of the acreage subject to identified constraints, demonstrating the significant amount of land. Of the 20.53 square miles of total land in the City of Torrance, approximately 2.74 square miles (13.3%) of these parcels are subject to the constraints illustrated in this section.

Table A
Statistical Summary of Land Use Constraints

Land Use Constraint	Acreage	Key Constraint Factors
Coastal Zone	123 Acres	<i>Coastal Zone Limitations</i>
Airport Area	434 Acres	<i>Development Exclusions</i>
Habitat Conservation Areas	44.86 Acres	<i>Protected Lands Preclusions</i>
Refinery and Production	1,057 Acres	<i>Safety Preclusions</i>
Seismic Hazards	100 Acres	<i>Seismic Hazards</i>
TOTAL	1,758.86 ACRES	

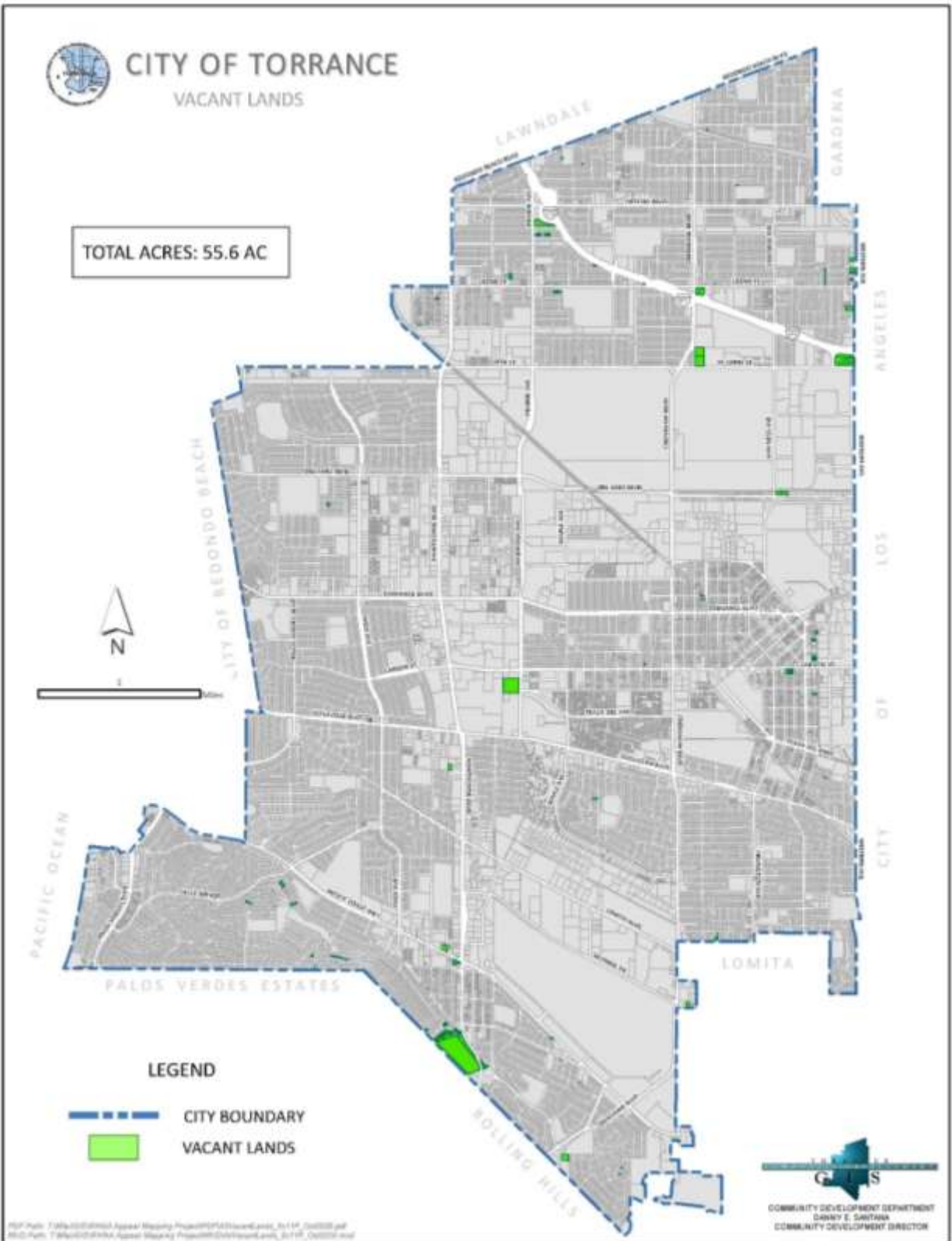


Exhibit H
Summary of Vacant Lands

2	Local Planning Factors	<i>SCAG failed to adequately consider the information submitted pursuant to Section 65584.04(b).</i>
<i>Availability of Land Suitable for Urban Development or for Conversion to Residential Use, the Availability of Underutilized Land, and Opportunities for Infill Development and Increased Residential Densities</i>		

In consideration of all local factors that limit the use of land to accommodate the City’s Draft RHNA allocations, future growth must be accommodated on lands not subject to identified constraints. These include all residential and non-residentially designated land including:

- Residential
- Commercial/Retail
- Business Park
- Industrial

(a) Severe Limitations of Available Vacant Land

The City has minimal appropriate, available vacant land to accommodate future growth anticipated in the Draft RHNA. The only remaining land considered vacant are lands within the City’s Sphere of Influence and cannot be considered when identifying adequate sites for residential development unless they are anticipated to be incorporated in the planning period.

Recently enacted AB 1397 modified Government Code section 65580,65583 and 65583.2. Generally, jurisdictions must demonstrate the following:

- *Land Inventory Sites Must Be “Available” and May Only Include Non-Vacant Sites with Realistic Development Potential (Govt Code Section 65583).*
- *Sites in the Land Inventory Must Have Demonstrated Potential for Development (Govt Code Section 65583(a)(3))*

These provisions in state law requires the City to explicitly demonstrate the availability of vacant lands to accommodate future housing growth need.

(b) Existing Residential Land

There is approximately 29.8 acres of vacant residential land not subject to the constraints listed in **Table A**. As shown in **Exhibit I and Exhibit J**, the majority of existing residential land consists of currently developed properties. There is limited vacant land currently available to provide additional opportunities for residential development. Therefore, future residential development must be accommodated on infill, reuse and redevelopment of these existing residential properties.

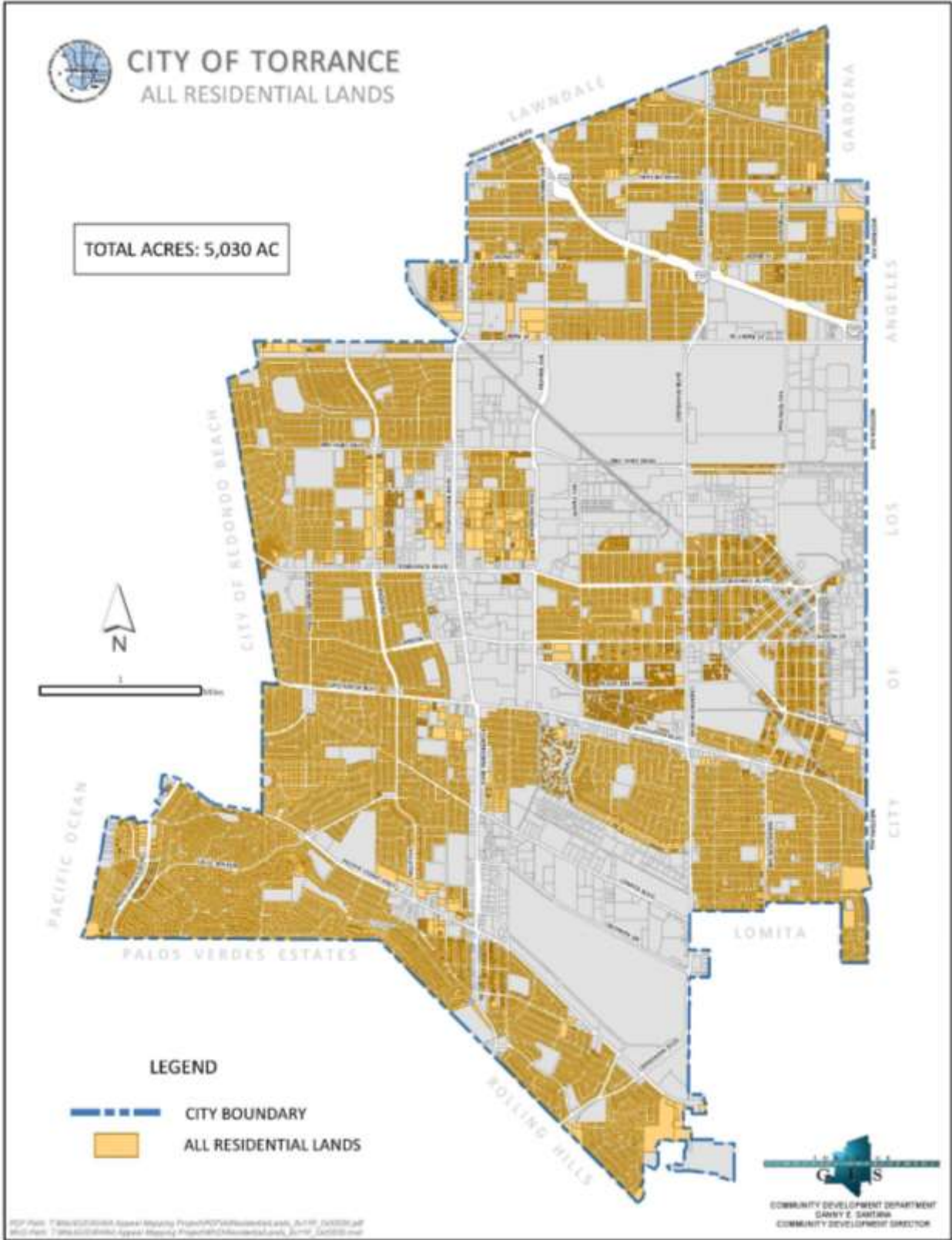


Exhibit I
Summary of Residential Land

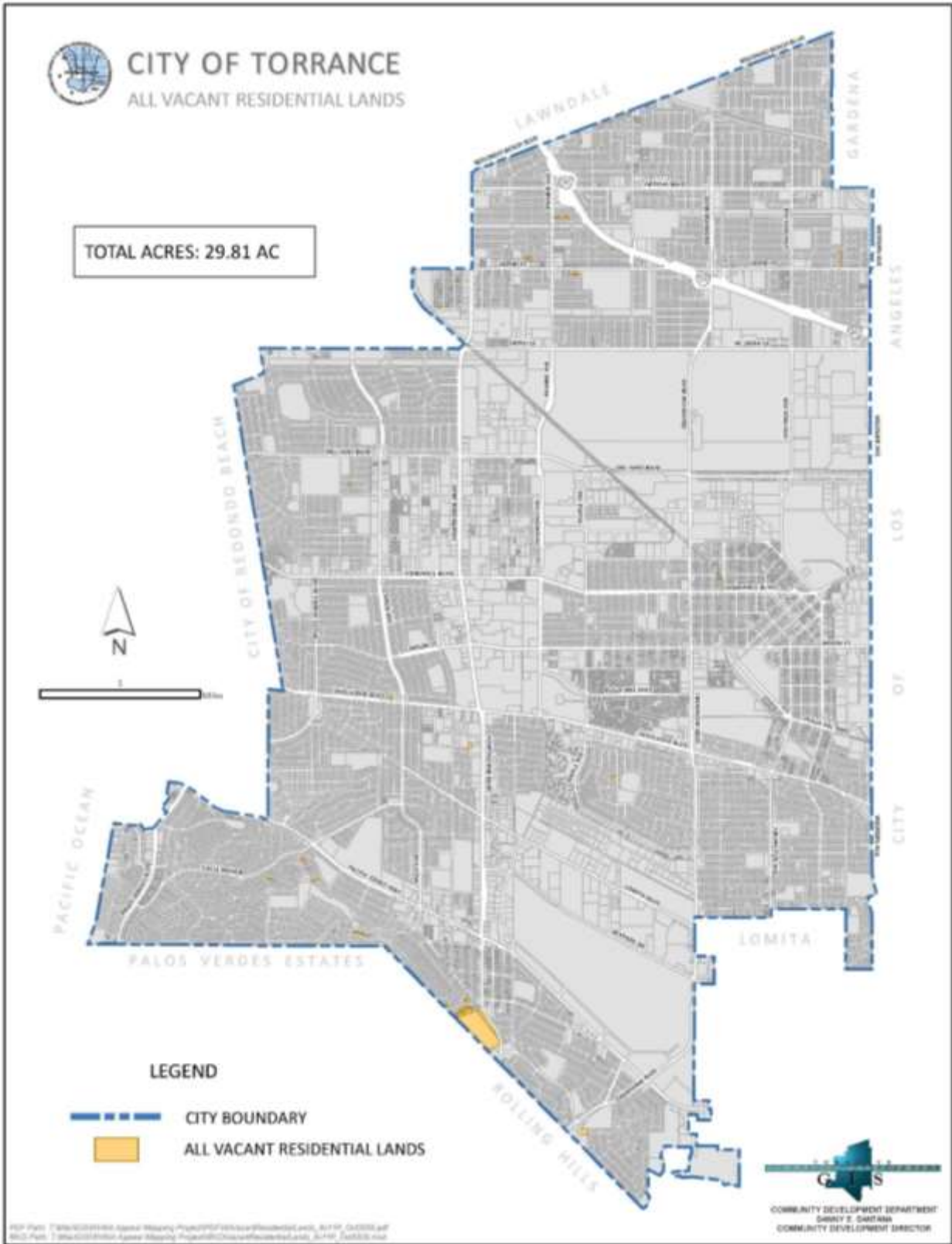


Exhibit J
Summary of Available Vacant Residential

(c) Existing Commercial/Retail Lands

There is approximately 1,458 acres of commercial/retail land in Torrance. As shown in **Exhibit K and Exhibit L**, much of the existing commercial and retail lands in the city are built out and highly utilized, with only 19.75 acres currently vacant. As the primary generator of employment in the City, these lands possess some of the most successful and viable investments in the region.

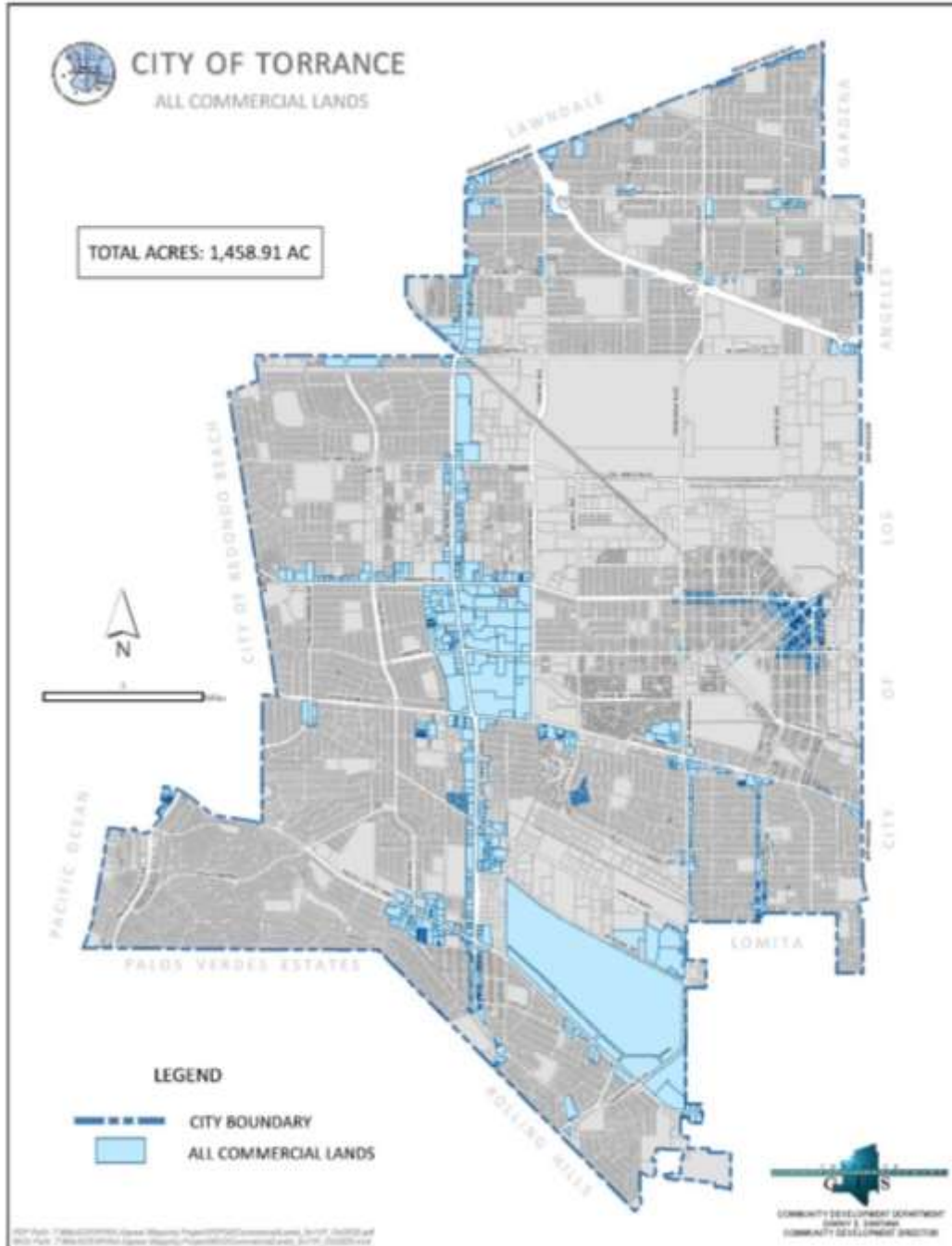
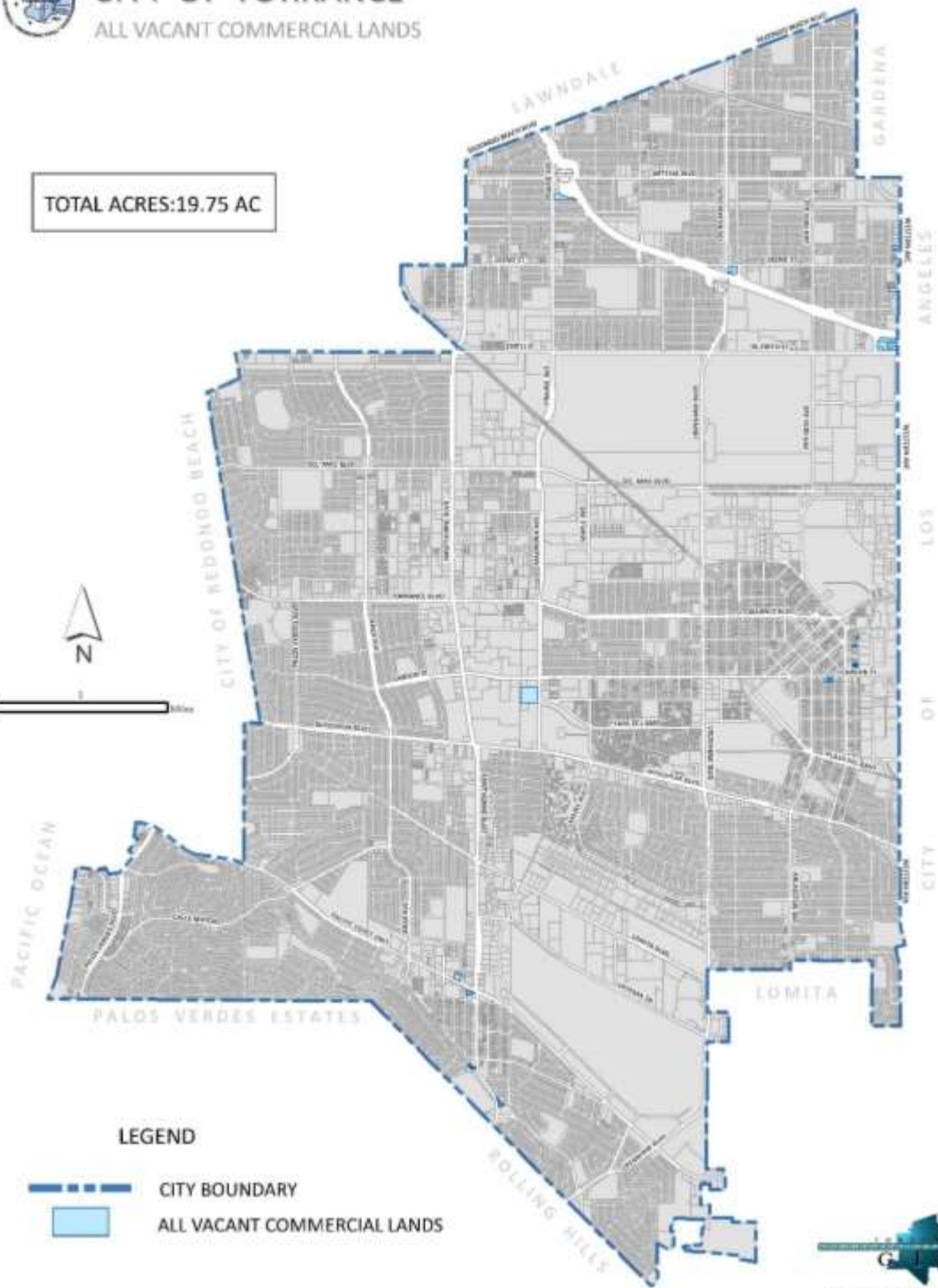


Exhibit K
Summary of Commercial/Retail Land



CITY OF TORRANCE
ALL VACANT COMMERCIAL LANDS

TOTAL ACRES: 19.75 AC



- LEGEND**
- CITY BOUNDARY
 - ALL VACANT COMMERCIAL LANDS



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Exhibit L
Summary of Vacant Commercial/Retail Land

Significant redevelopment of these sites to accommodate the RHNA allocations is highly unlikely, as most of the sites consist of viable commercial space and/or possess high land values that are not conducive to redevelopment potential.

(d) Existing Light Industrial Lands

There is approximately 336 acres of industrial land in the City of Torrance. As shown in **Exhibit M and Exhibit N**, much of this land is located in areas that are experiencing stable, economically favorable land uses that are not likely to change significantly over the RHNA planning period. Only 6.04 acres of Industrial land is considered vacant. While the City acknowledges there will be opportunities in these areas, it does not consider these opportunities as the most feasible or economically sound option .

(e) Comparative Analysis of Density Needed to Accommodate RHNA Growth Analysis

As described in **Table B**, the City must transition up to 164 acres of existing developed high value land to accommodate future growth need. Therefore, the City must demonstrate that 4,928 residential land must be accommodated by transitioning existing development for these 4,928 units over the 8-year planning period. It is unreasonable to assume the City will be able to justify this extent of sites, pursuant to the analysis required under AB 1397.

**Table B
Comparison of Densities Versus RHNA Growth Allocation**

Density Range	RHNA Allocation	Acreage Needed to Accommodate Growth
30 Dwelling Units/Acre	4,928 units	164.0 acres
60 Dwelling Units/Acre	4,928 units	82.1 acres
100 Dwelling Units/Acre	4,928 units	49.2 acres
150 Dwelling Units/Acre	4,928 units	32.8 acres
200 Dwelling Units/Acre	4,928 units	24.6 acres

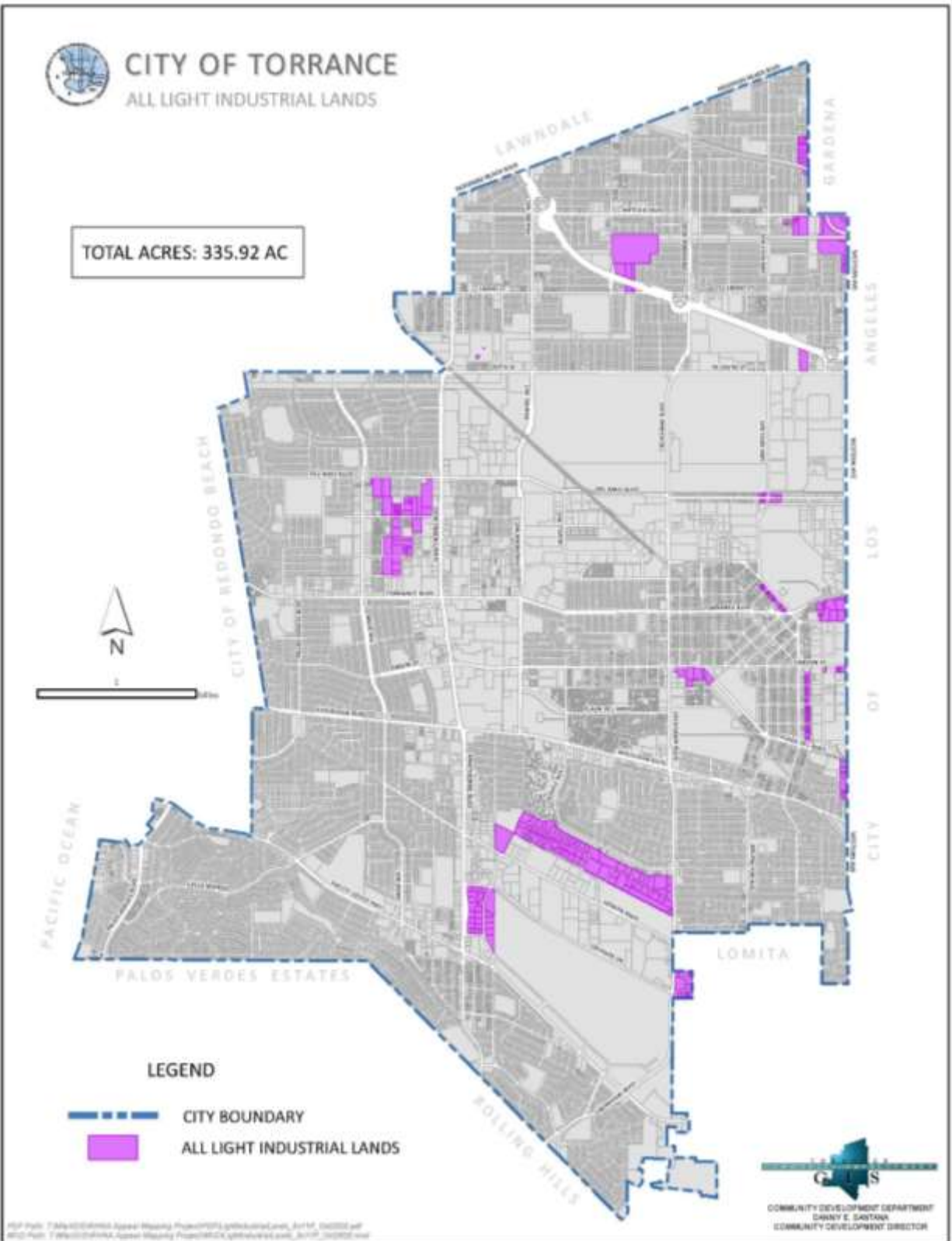
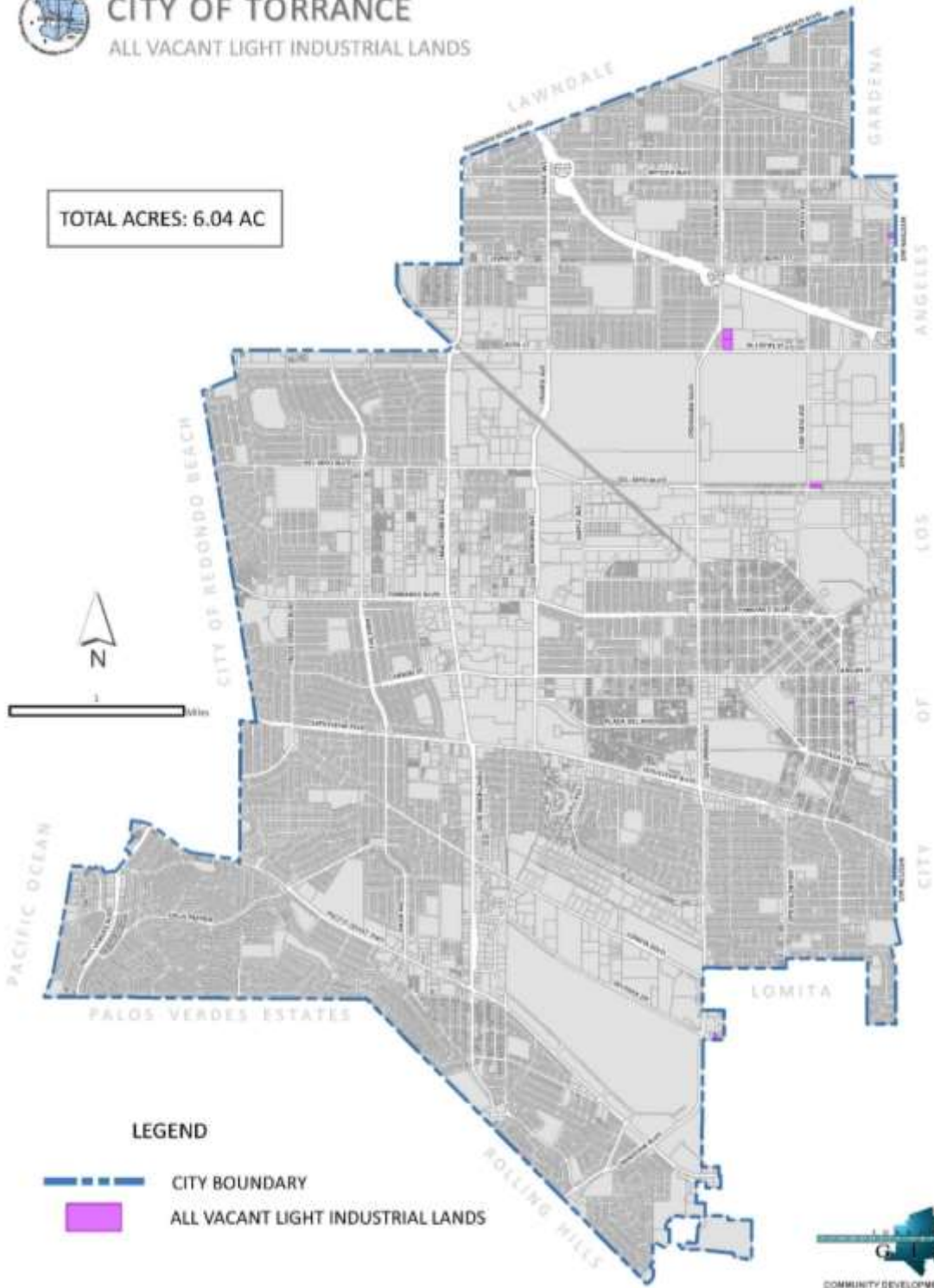


Exhibit M
Summary of Light Industrial Land





CITY OF TORRANCE
ALL VACANT LIGHT INDUSTRIAL LANDS

TOTAL ACRES: 6.04 AC



LEGEND

-  CITY BOUNDARY
-  ALL VACANT LIGHT INDUSTRIAL LANDS



COMMUNITY DEVELOPMENT DEPARTMENT
DANNY E. SAYTABA
COMMUNITY DEVELOPMENT DIRECTOR

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Exhibit N
Summary of Vacant Light Industrial Land

(f) Density Considerations and Resiliency Planning

The unique land use conditions in Torrance have historically affected the ability for the City to effectively respond and recover from a variety of natural and human events. These include flood, fire, sea level rise, and public health. The City has conducted extensive analysis of threats and the proper mitigation of these threats through resiliency planning to identify, mitigate and respond to them.

In response to the recent COVID-19 pandemic, the City must consider contingency planning to ensure the health, safety, welfare and economic integrity of our residents can be addressed through appropriate land use considerations. These considerations include density and land uses. To provide for local resiliency and effective response to future pandemics and the need for social distancing, considerations related to development design and open space will be critical factors in future contingency planning.

As social distancing should allow for residents, children and pets the ability to recreate, exercise and provide a level of social interaction and movement, the provision of adequate open spaces through parks, open space and urban spaces will have an effect on urban densities. Coupled with the need to accommodate 4,928 dwelling units within infill development, this will pose considerable challenges in designing development that meets appropriate criteria.

3	Methodology	<i>SCAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Section 65584(d).</i>
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(a) The Methodology Fails to Consider Growth Projections Consistent with the SoCal Connect Plan

SCAG failed to adequately consider local household growth factors and utilized growth projections inconsistent with the SoCal Connect Plan.

Using projected household growth consistent with the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS) (Connect SoCal) is consistent with State law. However, the Draft RHNA Allocation is inconsistent with the development patterns assumed in the Connect SoCal Plan. These forecasts are to be developed in conjunction with local input. The City of Torrance asserts the profound inconsistency in forecasting growth demonstrate the failure of the methodology to consider local factors and exhibits severe inconsistencies with future growth projections.

According to SCAG’s *Connect SoCal Plan, Appendix 1- Demographics and Growth Forecast*¹, the City of Torrance’s household growth is forecast to reach 57,300 in 2045. Comparatively, the American Community Survey 2018 5-year estimates the City of Torrance currently has 54,360 households.

As shown in **Table C** below, forecasts for households through 2045 are expected to be 57,300 according to the SoCal Connect Plan. If this is amortized over the forecast period (2018-2045), it equates to approximately 108 households per year of growth.

The City of Torrance draft allocation is 4,928 units for the period 2012-2029. If this is amortized over the planning period (2021-2029), it equates to approximately 616 households per year growth.

This demonstrates the unrealistic assumption that the City of Torrance would exceed its total 2045 forecast household growth within the 2021-2029 Housing Element planning period. Specifically, Torrance would reach household estimate for 2045 approximately 20 years earlier than forecast.

Table C
Comparison of Household Growth Rates
SoCal Connect vs. RHNA

SoCal Connect Forecast Growth	SoCal Connect Forecast Year	Average Per year growth rate 2018-2045	RHNA Estimate Total Growth Need	RHNA Forecast Year	Average Per year growth rate 2021-2029
2,670	2045	108 HH/year	4,928	2029	616 HH/year

Source: SoCal Connect Plan, 2021-2029 Final Draft RHNA Allocations.

The City of Torrance contends that the household formation defined in the RHNA far exceeds any reasonable projection for growth during the 2021-2029 Housing Element planning period. SCAG’s SoCal Connect Plan’s 2045 growth forecast, stated in the SoCal Connect Plan is inconsistent and directly undermines the validity of the assumptions in the Draft RHNA Allocations

This discrepancy demonstrates the RHNA allocation undermines Government Code Section 65584(d)(1) by failing to provide the distribution of units in an equitable manner. As demonstrated by the household growth rate is increased by a factor of 570% above SoCal Connect forecasts. The City of Torrance contends that a realistic estimate of future growth need should be directly tied to realistic projections of household formation, consistent with SCAG’s own projections in the SoCal Connect Plan.

¹ Connect SoCal (2020 - 2045 Regional Transportation Plan/Sustainable Communities Strategy) Appendix 1, Table 14.

(b) The Final Draft RHNA Allocation for Torrance Directly Undermines Government Code 65588(d)(1) and Government Code 65588(d)(2)

Government Code 65588(d) defines five specific objectives the RHNA allocation plan shall further. In particular, 65588(d)(1) objective of *“Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households”* is dependent on the availability of suitable land to various location within the City.

The City is very limited in appropriate and available vacant land and must accommodate almost all future growth need on infill parcels. Therefore, significant impact will occur to the City’s non-residential land uses as these sites must be used to accommodate the growth identified in the Draft RHNA allocations. Even at residential densities far above historical averages for the City and the South Bay area, the amount of land necessary to accommodate residential growth at the levels identified in the Draft RHNA allocations would require the City to sacrifice a significant percentage of job-creating uses, retail and industrial land. Furthermore, the majority of this land will not be justifiable as adequate sites pursuant to the strict adequate sites requirements of AB 1397. Requisite analysis to determine if these sites are viable is stated on the State Department of Housing and Community Development’s “Building Blocks” website². Considerations include:

- i. Existing Uses** – *“The housing element must demonstrate non-vacant and/or underutilized sites in the inventory that can be realistically developed with residential uses or more-intensive residential uses at densities appropriate to accommodate the regional housing need (by income) within the planning period.... The condition or age of existing uses and the potential for such uses to be discontinued and replaced with housing (within the planning period) are important factors in determining “realistic” development potential....”*

It is the burden of the City of Torrance to demonstrate the realistic development potential of infill sites by income category. The ability to identify adequate acreage to rezone to permit new residential development on land that is *“...realistically developed with residential uses or more-intensive residential uses at densities appropriate to accommodate the regional housing need (by income) within the planning period....”* will be an insurmountable task that will be primarily influenced by current market conditions, the viability and sustainability of existing non-residential uses and the likelihood of existing stable investments to transition to new residential uses. Many of these existing non-residential lands are limited by constraints imposed by lease provisions, financing provisions and other encumbrances tied to the land that can severely limit or preclude the the ability to transition to new uses.

² <https://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#realistic>.

- ii. Development Trends** – *“The inventory analysis should describe recent development and/or redevelopment trends in the community. The housing element should also include a description of the local government’s track record and specific role in encouraging and facilitating redevelopment, adaptive reuse, or recycling to residential or more-intense residential uses. If the local government does not have any examples of recent recycling or redevelopment, the housing element should describe current or planned efforts (via new programs) to encourage and facilitate this type of development (e.g. providing incentives to encourage lot consolidation or assemblage to facilitate increased residential-development capacity)”*

Development trends cannot be considered solely at the regional or state level. All development in Torrance is affected by the local market. Due to local market conditions, value of the land and construction costs, infill development transitioning to affordable housing is heavily influenced by existing development activity. The general costs to bring affordable residential development in the Torrance market area does not justify the transition to existing developed land to transition. Torrance currently has a limited history that can demonstrate successful transitioning of viable existing commercial development into residential development projects.

- iii. Market Conditions** – *“Housing market conditions also play a vital role in determining the feasibility or realistic potential of non-vacant sites and/or underutilized sites for residential development. The housing element should evaluate the impact of local market conditions on redevelopment or reuse strategies. For example, high land and construction costs, combined with a limited supply of available and developable land may indicate conditions “ripe” for more-intensive, compact and infill development or redevelopment and reuse”*

As required by statute, the City of Torrance must demonstrate that market conditions “...evaluate the impact of local market conditions on redevelopment or reuse strategies...”. Local market conditions play a significant role in the feasibility of transitioning existing viable commercial uses to residential. Due to the combination of high construction costs, high land values and the scarcity of vacant land, residential development projects must provide for a pro-forma that justifies and supports redevelopment. In addition, severe limitations on the ability of existing commercial/industrial investments to redevelop existing investments would have significant negative affect on project feasibility. Therefore, the ability to structure complex, multi-tranche financing to accommodate affordable housing given these market conditions will be almost insurmountable.

The Final Draft RHNA Allocations fail to consider the implications of existing law governing Housing Elements. Specifically, the requirements of state law that Torrance will be subject to in determining the adequacy of housing sites to accommodate future housing growth directly conflict with the ability of the City to accommodate the current draft RHNA allocation. This creates a scenario where the City cannot accommodate the level of RHNA growth need based on the inability to justify these sites pursuant to statutory provisions.

In review the Housing Element for compliance with state law, the following factors severely limit the sites that can be considered for future growth:

iv. Realistic Development Capacity - *Realistic development capacity calculation accounts for minimum density requirements, land use controls, site improvements, and typical densities of existing or approved projects at similar income levels, and access to current, or planned, water, sewer, and dry utilities. (GC 65583.2(c)(1) and(2)).*

The City of Torrance must demonstrate realistic development capacity for a large percentage of existing viable land with existing stable land uses in the City. This is infeasible as the City would essentially have to consider a large portion of existing job-generating uses to transition to residential uses and must prove these sites are a viable to transition during the planning period.

v. Realistic Capacity of Non-Vacant Sites - *The realistic capacity methodology analyzes the extent the existing use may impede additional residential development, the jurisdiction's past experience converting existing uses to higher density residential development, current market demand for the existing use, analysis of existing leases or other contracts that would perpetuate the existing use or prevent additional residential development, development trends, market conditions, and incentives or standards that encourage development. (GC 65583.2(g)(1)).*

Existing uses are a major impediment to the development of future residential use in Torrance to the extent identified in RHNA. This would require the City to analyze all private lease agreements and contracts to determine site feasibility. This is both impractical and infeasible. Additionally, market factors must consider the actual ability of the site to transition during the planning period. Many of the infill sites must be accommodated on existing commercial/industrial lands, which have long term financing provisions with severe penalties if they are breached. Even with incentives, by right development and other regulatory relief, a site could not redevelop due to these restrictions.

vi. "Substantial Evidence" Requirement - *If non-vacant sites accommodate 50% or more of the lower-income need, the housing element must describe "substantial evidence" that the existing use does not constitute an impediment for additional residential use on the site. Absent substantial evidence, the existing use is deemed an impediment to additional residential development during the planning period. (GC 65583.2(g)(2)).*

As the City of Torrance has an extremely limited inventory of vacant lands available to accommodate growth, most future development will occur on sites identified on non-vacant sites. The substantial evidence requirement will be difficult, if not impossible to achieve. If more than 50% of the lower income need is accommodated on sites currently in use, before the site could be identified as one available for housing,

Torrance must overcome the presumption by showing: 1) past experience with converting the existing type of use to higher density residential development, 2) the current market demand for the current use will not impede redevelopment, and 3) existing leases or contracts would not legally prevent redevelopment of the site. Each of these criteria could not be currently met by the City.

4	Changed Circumstances	<i>A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to Section 65584. 04(b).</i>
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The COVID-19 Pandemic has had a demonstrable impact on Torrance’s economy. The pandemic was unforeseen during the development of regional RHNA methodology and will have lasting impacts to Torrance’s economy and housing market. Additionally, population growth trends in California have recently been revised to reflect a substantially lower rate of population growth in the region.

Prior to COVID-19, Torrance enjoyed a robust and diversified economy. With the restrictions imposed and ongoing during the pandemic, these restrictions have significantly impacted all aspects of Torrance’s economy. With many job opportunities that existed prior to the pandemic that are now gone or severely impacted, it is estimated it will take years to return to pre-COVID levels. Because this was an unforeseen circumstance, the impacts to the economy of the City and consequently to the housing market are profound and should be a consideration when evaluating realistic growth potential over the 8-year RHNA planning period.

The state of California is also experiencing population growth rates at historically low levels. Recent downward revisions by the Department of Finance illustrates the rate of population growth rate throughout California is slowing and at a faster rate than anticipated. In the last three years, the state has experienced the lowest population growth rates on record since 1900. Population growth is directly tied to household formation. The flattening of the population growth curve is contrary to the rate of growth identified in the Final Draft RHNA allocation. Furthermore, according to Freddie Mac’s February 2020 report, “*The Housing Supply Shortage: State of the States*,” their research indicates that “...California has a shortage of 820,000 housing units statewide. These statewide growth needs exceed the growth estimates for the SCAG regional alone. History suggests that California's shortage may be grossly overestimated if interstate migration is considered.”³

³ Freddie Mac, “The Housing Supply Shortage: State of the States” February 2020, Page 6.

Summary of Contributing Factors Justifying Modifications to the City of Torrance's RHNA Allocations

Based on the evidence provided herein, the Draft Allocation undermines Government Code Section 65584(d) by failing to support the goals identified therein. Further, the substantial growth need allocated to the City of Torrance, when applying current statutory requirements, will preclude the City from complying with law and be unfairly affected by the failure to enact these laws. The Draft Allocation and methodology used to develop it needs to be revised so that it fulfills the objectives identified in the Government Code.

The City of Torrance has compiled all development contributing factors to summarize the severe limitations the City to accommodate the Final Draft RHNA Allocation. The City is severely limited in the availability of land to accommodate the unrealistic growth forecast identified in the Draft RHNA allocations.

Remaining land available to accommodate future growth will be mainly focused on infill development on parcels with existing development, including existing residential zoned land and non-residential land that must be rezoned to accommodate residential development.

The future growth of residential will require the execution of the substantial evidence clause in state housing law to demonstrate the viability of infill sites. This evidence may include:

- Age of Existing Structures
- Developer Interest
- Past Experience in Developing Infill Property
- Existing Lease Provisions
- Environmental and Infrastructure Constraints

The City will not be able to justify the use of these infill sites in the Housing Element to accommodate the level of need shown in the Draft RHNA allocations.

CONCLUSION

The City of Torrance is committed to accommodating the existing and future needs of its residents. While we are committed to contributing to our collective local, regional and state needs for housing, we have demonstrated that the City’s Draft RHNA Allocation is unrealistic, excessive and based on faulty assumptions that can have grave consequences to the City and its residents. The City, therefore, respectfully objects to the Final Draft RHNA Allocation and methodology used and requests the RHNA Allocation be revised so that it fulfils the objectives identified in the Government Code.

Pursuant to Govt. Code Section 65584.05(b), the City of Torrance states the following revisions to the Final Draft RHNA Allocations are necessary to further the intent of the objectives stated in Govt. Code Section 65584(d). **Table D** illustrates recommended modifications.

**Table D
Summary of RHNA Reductions**

Government Code Requirements	Requested RHNA Reduction
<p>Section 65584(d)(1) - <i>Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.</i></p> <p>Reason- The Draft RHNA allocation undermines this objective as it does not assign housing unit growth need in an equitable manner. The allocation is a marked increase in allocations from prior RHNA planning cycles and a disproportionately higher amount of lower income need to the community, based upon a flawed methodology that is inconsistent with regional growth forecasts at the regional, state and federal level.</p>	-2540
<p>Section 65584(d)(2) - <i>Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.</i></p> <p>Reason- The Draft RHNA Allocation undermines this objective as it does not properly consider lands that are designated for the protection of natural resources, protected lands precluded from development and lands subject to high fire severity. Furthermore, the use of these lands is not supportive of the efficient utilization of land to encourage and supportive efficient development patterns.</p>	-160
TOTAL	-2,700

Table E summarizes the City of Torrance’s recommended RHNA allocation by income category: The recommended 6th Cycle RHNA allocations acknowledges the need to accommodate future growth in the City, pursuant to consistently applied regional growth forecasts and represents a 153% increase from 5th Cycle RHNA allocations

Table E
Summary of Recommended RHNA Allocations for Torrance

Income Category	September 3, 2020 Final Draft SCAG RHNA Allocation	Torrance Recommended RHNA Allocation
Very Low	1,617 Units	732 Units
Low	845 Units	383 Units
Moderate	851 Units	381 Units
Above Moderate	1,615 Units	732 Units
TOTAL	4,928 Units	2,228 Units

Respectfully Submitted,



Patrick J. Furey, Mayor
 City of Torrance

cc: City Council Members, City of Torrance
 Aram Chaparyan, City Manager
 Patrick Q. Sullivan City Attorney