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Regional Housing Needs Assessment Plan

Fifth Housing Element Cycle

Planning for Housing in the San Diego Region

2010 - 2020



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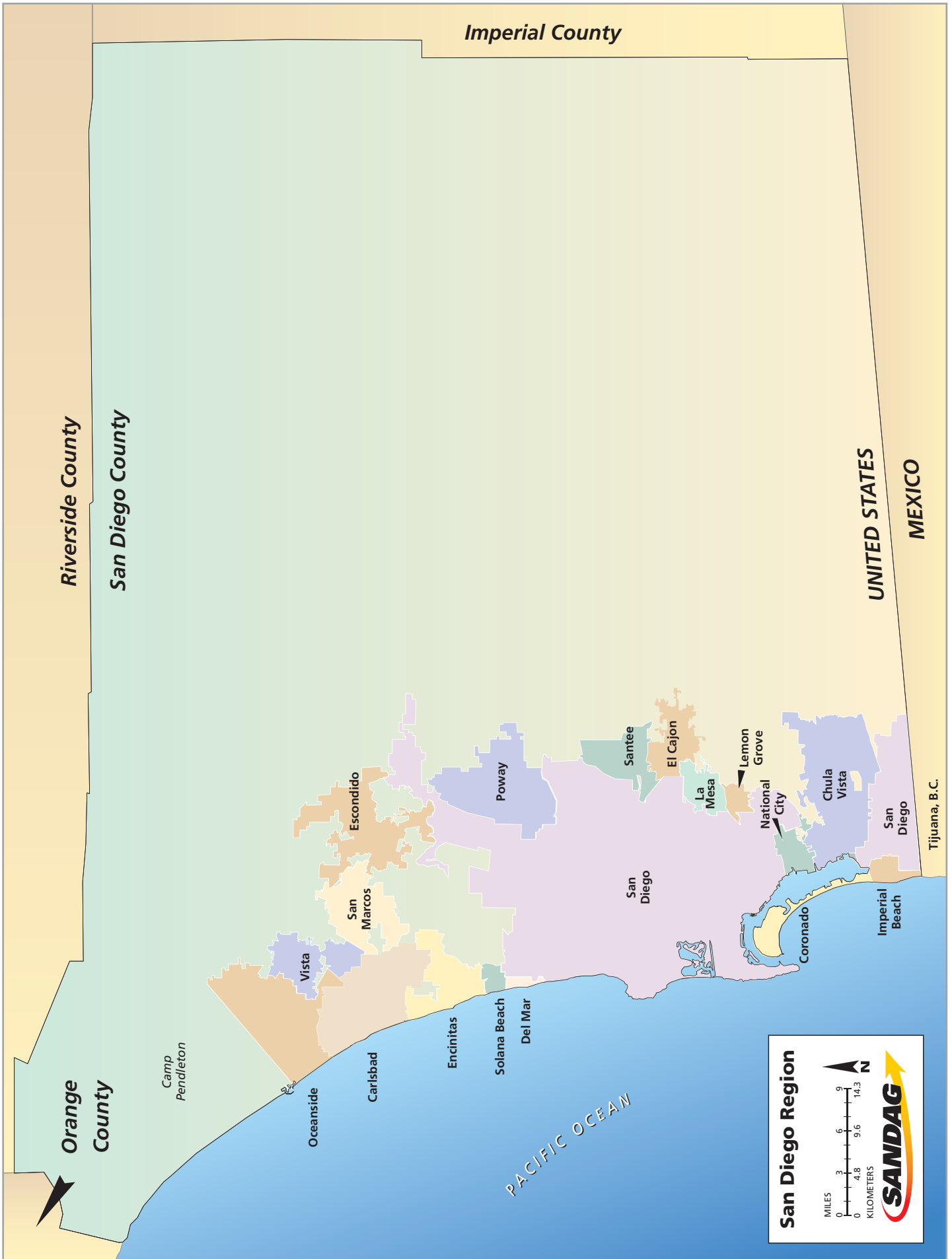


Introduction

The preparation of the Regional Housing Needs Assessment (RHNA) for the San Diego region is a responsibility assigned to the San Diego Association of Governments (SANDAG) and other California councils of governments by state housing element law. The RHNA process is undertaken prior to each housing element cycle (see Appendix A for statutory excerpts regarding the RHNA requirements from the California Government Code). This RHNA is for the fifth housing element cycle (January 1, 2013 – December 31, 2020) and covers an eleven-year projection period (January 1, 2010 – December 31, 2020).

The RHNA process for the San Diego region was initiated in April 2010, and was completed on October 28, 2011, with the adoption of the RHNA Plan. The RHNA Plan describes the methodology developed to allocate the region's housing needs in four income categories (very low, low, moderate, and above moderate) to the 18 cities and the unincorporated area of the County of San Diego in accordance with the objectives and factors contained in state law. It also discusses housing issues in the San Diego region, the 2050 Regional Growth Forecast (2050 Forecast), and the relationship of RHNA to the 2050 Regional Transportation Plan (RTP) and its Sustainable Communities Strategy (SCS).

Recent legislation, Senate Bill 375 (SB 375) (Steinberg, 2008) and SB 575 (Steinberg, 2009), affect the RHNA and fifth housing element cycle in several ways. The main changes in this cycle include the integration of the RHNA process with the RTP and SCS, required coordination/consistency with the RTP and its SCS per SB 375, and the length of the housing element cycle. The fifth cycle for the San Diego region covers an eight-year time period from January 1, 2013, to December 31, 2020; past housing elements were on a five-year cycle.



Planning for housing in the San Diego region

State law requires every city and county to prepare a housing element as part of its general plan. These housing elements are reviewed by the California Department of Housing and Community Development (HCD) for compliance with the law. Jurisdictions are required to identify adequate sites to address their very low, low, moderate, and above moderate income housing needs based on their RHNA allocations. In addition, each jurisdiction is required to submit an annual progress report on housing production by income category based on building permits issued, as well as on the status of their housing element program and policy implementation.

The RHNA process has three main components:

- RHNA Determination – HCD’s regional housing needs determination, in four income categories, for the region as a whole. HCD in consultation with SANDAG and using information from SANDAG’s regional growth forecast and the California Department of Finance population estimates, calculates a demographic housing need based on headship and vacancy rates, and household size. Unlike SANDAG’s regional growth forecasts, the RHNA Determination is not influenced by economic factors.
- RHNA Plan – SANDAG’s regional housing need plan includes a methodology for allocating a share of the RHNA Determination to each city and county in four income categories and information about RHNA process.
- RHNA – The RHNA is each local government’s regional housing needs allocation, which is required to be addressed in local housing elements.

In addition to the RHNA process, SANDAG works on other regional housing-related issues. The 2004 Regional Comprehensive Plan (RCP) includes a housing chapter that describes regional housing issues, goals and policies, and recommended actions. A Regional Housing Working Group with subregional local government representatives, housing industry representatives, and housing advocates meets quarterly to discuss housing-related legislation and regional housing issues (such as RHNA), and holds forums on topics of interest to the group. Past forums have been held on construction defect litigation, housing trust funds, condominium conversions, and housing element law. SANDAG also has partnered with the San Diego Housing Federation on several housing publications. More detailed information about SANDAG’s regional housing work can be found on our Web site (www.sandag.org).





RHNA Objectives

State housing element law (Government Code Section 65584 (d)) states that the RHNA shall be consistent with four objectives. These objectives are consistent with SANDAG's RCP and Smart Growth Concept Map, and include:

- 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 all jurisdictions receiving an allocation of units for low and very low income households.
- Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
- Promoting an improved intraregional relationship between jobs and housing.
- Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category.

A key focus of state law is the requirement that local jurisdiction housing elements identify adequate sites zoned appropriately to address their RHNA allocations in all four income categories in their housing element. For the Very Low and Low Income RHNA units, jurisdictions generally are required to identify sites (both vacant and non-vacant) zoned at multifamily densities.

SB 375: Integrating land use, housing, and transportation planning to reduce greenhouse gas emissions

SB 375 calls for the coordination of housing planning with the RTP and SCS to help create more sustainable communities. In the past, the RHNA was undertaken independently from the RTP. SB 375 requires that the RHNA and RTP/SCS processes be undertaken together to better integrate housing, land use, and transportation planning to ensure that the state's housing goals are met and to help reduce greenhouse gas (GHG) emissions from cars and light trucks. The law recognizes the importance of planning for housing and land use in creating sustainable communities where residents of all income levels have access to jobs, services, and housing using transit, or by walking and bicycling (see the Sustainable Communities Strategy chapter in the 2050 RTP for more detail regarding the SCS for the San Diego region).

In addition to the RHNA requirements of housing element law (Government Code Section 65584), SB 375 requires SANDAG to address the region's housing needs in the SCS of the RTP. SB 375 states that the SCS will:

- Consider the state housing goals (Government Code Section 65080 (b)(2)(B)(vi));
- Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period for the RTP (out to 2050 for the 2050 RTP) taking into account net migration into the region, population growth, household formation, and employment growth (Government Code Section 65080 (b)(2)(B)(ii); and
- Identify areas within the region sufficient to house an 8-year projection of the regional housing needs for the region (Government Code Section 65080 (b)(2)(B)(iii)).

The RHNA for the fifth housing element cycle was conducted by SANDAG in conjunction with the development of the 2050 RTP and its SCS in accordance with SB 375. The next update of the RTP will be adopted in 2015 (four year cycle), and the next RHNA process will occur in conjunction with the 2019 RTP (eight year cycle).

The RHNA and SCS identify the general location of uses, residential densities, and building intensities within the San Diego region based on each local jurisdiction's general plans and housing element updates.

Depending on the number of housing units allocated by income category and local land use plans, the RHNA allocation may trigger amendments to a local jurisdiction's general plan or changes to local zoning which are required to be completed within three years following adoption of the updated housing element.



Meeting greenhouse gas (GHG) targets

SB 375 calls for a land use pattern that will help meet regional GHG targets set forth by the California Air Resources Board (CARB) by improving transportation and land use coordination and jobs housing balance; creating more transit-oriented, compact, and walkable communities; providing more housing capacity for all income levels, and protecting resource areas (such as sensitive habitat areas and mineral resources) and farmland. SB 375 requires that the RHNA be consistent with the development pattern of the SCS; that the SCS show that it accommodates the RHNA; and that the SCS land use pattern, and therefore the RHNA, assist the region in meeting the GHG reduction targets set by the CARB in September 2010. SANDAG is developing the RHNA, SCS, and RTP in a way that assists the region in meeting its GHG targets. Together these plans show that the region will meet its GHG targets and achieve the other goals stated above by planning for land use and transportation in a more sustainable way.

The 2050 Forecast (approved for planning purposes by the SANDAG Board in February 2010, with a technical update in April 2011) serves as the foundation for the 2050 RTP/SCS land use pattern and the RHNA for the fifth housing element cycle. The 2050 Forecast identifies existing land uses, planned land uses (on vacant land and in redevelopment and infill areas), habitat conservation areas, agricultural lands, and development constraints, such as steep slopes, floodplains, and wetlands on a parcel level basis, which also are factors that housing element law requires to be considered in the development of the RHNA methodology.

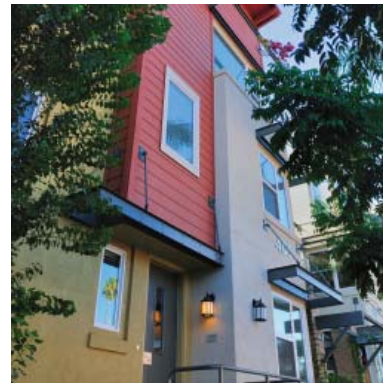
The 2050 Forecast, RTP, SCS, and RHNA processes are iterative, each informing the other. Every four years a Forecast, RTP, and SCS will be adopted, and every eight years a RHNA will be adopted. Therefore if local jurisdictions make any changes to their land use and/or housing plans as a result of this RHNA allocation, changes will be reflected in the next RTP set to occur in 2015, and associated regional growth forecast.

2050 Regional Growth Forecast: Forecasting population, housing, and employment growth

The 2050 Regional Growth Forecast is one of the initial steps in developing the 2050 RTP, and is a key building block of the RTP, SCS, and RHNA. This forecast complies with all applicable statutes and regulations regarding the RTP, SCS, and RHNA from SB 375 and the California Transportation Commission's RTP Guidelines. A summary of how the 2050 Forecast was developed, and how the information it provides is used in the RTP, SCS, and RHNA follows.

Land use data collected from cities and County

The 2050 Forecast is a locally-driven study with input from local jurisdiction staffs and elected officials on future planning and land use assumptions. The 2050 Forecast includes the number of housing units that are likely to be built based on policy and fiscal parameters. SANDAG staff solicited input on the 2050 Forecast from each jurisdiction at City Council, Board of Supervisors, and planning commission meetings over the course of six months. The information and comments collected during these meetings and subsequent interactions had a significant impact on formulating the region's most likely development pattern over the next 40 years.



How land uses, jobs, housing, and transportation interact in the forecast model

The 2050 Forecast was developed through a multi-step, collaborative process involving input and review by a wide range of local, regional, and subject-area experts. The first step in the forecast process is to develop a regionwide growth projection of population, jobs, housing, and other demographic and economic characteristics. The regionwide projections are developed using the Demographic and Economic Forecasting Model (DEFM). DEFM uses demographic assumptions including age, ethnicity-specific birth rates, death rates, and migration trends (domestic and international); it also uses economic assumptions including labor force participation, labor productivity, and unemployment rates. The DEFM inputs, assumptions, and results were reviewed twice by a panel of subject-area experts, including representatives from local universities, economic and workforce development agencies, resource providers, public-sector partners (including the California Department of Finance and Department of Housing and Community Development), and key industries. The panel represented areas of expertise ranging from economic and demographic trends to housing and resource issues. The regionwide projections then become one input into the neighborhood-level (or jurisdiction level) forecast.

A key component of the neighborhood-level forecast is local land use data, developed through extensive collaboration with each of the 18 cities and the County of San Diego, as well as other land use agencies such as the tribal governments, Department of Defense, and universities with master plans (San Diego State University, California State University, San Marcos, and University of California, San Diego). The local land use inputs incorporate such information as existing development, general plans, constraints to development (e.g., floodplains, steep slopes, habitat preserves, historic districts, building height restrictions, and zoning), and permitted projects in the development pipeline. The final building blocks of the neighborhood-level forecast are proximity to existing job centers (along with travel time estimates and information on local commuting choice) and historical development patterns. How land in a neighborhood is used today, how it's expected to be developed, how close the neighborhood is to job centers, and historical patterns of land use all contribute to a neighborhood's expected future growth. Table 1 shows the distribution of projected housing units and jobs within the region as a whole and within the area addressed in the Urban Area Transit Strategy (the results of which were incorporated into the 2050 RTP/SCS), as well as other data from the 2050 Forecast.

Table 1: 2050 Regional Growth Forecast

	2008	2020	2035	2050	Change 2008-2050	
					Numeric	Percent
Total Population	3,131,552	3,535,000	4,026,131	4,384,867	1,253,315	40%
Household Population	3,033,985	3,405,068	3,873,175	4,210,591	1,176,606	39%
Group Quarters Population	97,567	129,932	152,956	174,276	76,709	79%
Jobs	1,501,080	1,619,615	1,813,372	2,003,038	501,958	33%
Civilian Jobs	1,411,811	1,515,346	1,709,103	1,898,769	486,958	34%
Military Jobs	89,269	104,269	104,269	104,269	15,000	17%
Total Housing Units	1,140,654	1,262,488	1,417,520	1,529,090	388,436	34%
Single Family	692,382	728,566	755,477	761,699	69,317	10%
Multiple Family	405,023	493,243	624,419	732,832	327,809	81%
Mobile Homes	43,249	40,679	37,624	34,559	-8,690	-20%
Households	1,074,896	1,200,966	1,357,084	1,467,026	392,130	36%
Vacancy Rate	5.8%	4.9%	4.3%	4.1%	-1.7	-29%
Household Size	2.82	2.84	2.85	2.87	0.05	2%
Total Acres	2,727,197	2,727,197	2,727,197	2,727,197	0	0%
Residential	335,895	403,440	543,040	634,498	298,603	89%
Employment	88,177	91,286	95,635	99,905	11,728	13%
Parks and Constrained Lands	1,539,657	1,540,164	1,540,966	1,541,314	1,656	0%
Vacant Land	386,266	327,972	209,005	136,183	-250,083	-65%
Distribution of Projected Housing						
					Change 2008-2050	
	2008	2020	2035	2050	Percent of Total	Change 2008-2050
Region	1,140,654	1,262,488	1,417,520	1,529,090	100%	388,436
Urban Area Transit Strategy	899,596	988,248	1,108,012	1,204,621	79%	305,025
Distribution of Projected Jobs (civilian and military)						
					Change 2008-2050	
	2008	2020	2035	2050	Percent of Total	Change 2008-2050
Region	1,501,080	1,619,615	1,813,372	2,003,038	100%	501,958
Urban Area Transit Strategy	1,259,489	1,341,428	1,501,309	1,658,061	86%	398,572

Based on all of the land use inputs received from local jurisdictions, and predictions of likely development patterns in the future, the 2050 Forecast projects that 79 percent of housing units and 86 percent of jobs in the region will be located within the boundaries of the Urban Area Transit Strategy, which is the area with the highest priority for future transit investments.

Data generated on housing capacity and number of units projected by density range by parcel

SB 375 requires that the SCS identify areas within the region sufficient to house all the population in the region, including all economic segments of the population, during the RTP planning period as shown in Table 2. The SCS land use pattern has capacity for, and therefore can accommodate, more than the estimated 388,000 new homes that will be needed regionwide over the next 40 years to serve a projected growth in population of 1.3 million people.

Each jurisdiction in the region reviewed how their local plans, policies, and programs might change between 2035 and 2050. Through this effort, the region identified sufficient residential capacity to house the region's projected population growth out to 2050. The additional capacity was derived from input from the local jurisdictions and partner agencies. Local land use inputs for the growth forecast time period included draft plan, updates, rezoning, future redevelopment (based on existing plans), mixed-use development at transit stations, and redevelopment within Smart Growth Opportunity Areas. The projections out to 2025 from the 2050 RTP form the basis of the 2010-2020 RHNA allocation process. The alternative land use inputs proposed by jurisdictions to help meet the region's housing needs from 2035-2050 were not used in the RHNA allocation process.

Table 2: 2050 Growth Forecast Estimated Capacity By Jurisdiction & Subregion

	Dwelling Units Per Acre				TOTAL
	< 10	10-19	20-29	30+	
City of San Diego	10,671	22,084	51,266	149,784	233,805
Unincorporated	53,938	5,314	1,179	5,223	65,654
North County Coastal	8,655	3,961	3,654	4,415	20,685
Carlsbad	3,968	1,528	885	720	7,101
Del Mar	31	28	10	2	71
Encinitas	1,578	838	899	394	3,709
Oceanside	2,992	1,528	1,452	3,299	9,271
Solana Beach	86	39	408	0	533
North County Inland	7,230	2,672	3,146	15,773	28,821
Escondido	2,543	783	493	3,550	7,369
Poway	1,563	13	0	353	1,929
San Marcos	2,292	944	2,049	882	6,167
Vista	832	932	604	10,988	13,356
East County	2,181	2,476	1,337	22,940	28,934
El Cajon	-772	1,352	504	12,721	13,805
La Mesa	231	220	159	7,862	8,472
Lemon Grove	135	176	190	1,220	1,721
Santee	2,587	728	484	1,137	4,936
South Bay	4,373	8,586	14,155	30,158	57,272
Chula Vista	4,189	7,347	9,354	13,738	34,628
Coronado	12	6	148	122	288
Imperial Beach	5	745	378	1,406	2,534
National City	167	488	4,275	14,892	19,822
Region	87,048	45,093	74,737	228,293	435,171

Senate Bill 575

Senate Bill 575 adjusted the deadline for adoption of local jurisdiction housing elements in the San Diego region so that the deadline occurs eighteen (18) months following the adoption of the 2050 RTP. Housing elements in the San Diego region are required to be completed, with a finding of compliance by HCD, by April 27, 2013, 18 months following the October 28, 2011, adoption of the 2050 RTP. SB 575 also clarifies rezoning requirements under state housing element law if a jurisdiction does not have adequate sites to cover the portion of the projection period from July 1, 2010 to the deadline for housing element adoption.

RHNA Determination: Determining the region's housing need for the fifth housing element cycle

Consultation with HCD per state law

Prior to the determination by HCD of the regional housing needs by income category for the 2013-2020 housing element cycle, HCD staff and SANDAG staff met between June and November 2010 to consult with each other to exchange information about the assumptions and methodology (population projections, vacancy rates, household formation rates) used in the determination. In addition, representatives from both HCD and the California Department of Finance (DOF) participated in the expert review meetings that took place during the development of the 2050 Forecast.

The RHNA Determination that SANDAG received from HCD for the 11-year projection period is 161,980 housing units (see Appendix B for HCD letter to SANDAG dated November 23, 2010). Table 3 shows the breakdown of the RHNA number into the four income categories. SANDAG is required to allocate the full amount of regional housing needs by income category. No reductions to regionwide numbers can be made, and every jurisdiction must be assigned very low and low income housing units in accordance with state law.

Income Categories	%	Units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above-Moderate	41.5%	67,220
Total		161,980

Table 3: Regionwide Distribution of Total RHNA Determination by Income Category

Difference between 2050 Regional Growth Forecast and RHNA Determination

The 2050 forecast projected that about 125,000 housing units will be built during the 11-year RHNA projection period. The RHNA Determination projects the need for 161,980 housing units, nearly 35,000 more units than the 2050 Forecast for the same time period.



The two projections have different purposes and were developed using different assumptions. The 2050 Forecast reflects the number of housing units that are likely to be built in the region during the 11-year RHNA period based on economic, fiscal, and other policy factors. The RHNA Determination is a projection of housing need based solely on demographic considerations such as population growth, vacancy rates, and household formation rates, and is not influenced by economic factors. The 2050 Forecast is oriented toward actual housing production, whereas the RHNA Determination is focused on planning for adequate housing capacity.

Adequacy of housing capacity for RHNA based on 2050 Regional Growth Forecast

Data from the 2050 Forecast demonstrate the ability of the San Diego region to accommodate the overall RHNA Determination of 161,980 housing units, and the lower income RHNA of 64,150 units (36,450 very low income units plus 27,700 low income units). The 2050 Forecast projects the construction of 169,528 housing units between January 1, 2010, and January 1, 2025 (only four years beyond the RHNA projection period).

The 2050 Forecast also contains a capacity of over 225,000 housing units (see Table 2) in the category of 30 dwelling units per acre or greater (based primarily on existing general/community plans and policies), which demonstrates that the region has more than enough sites planned to address its RHNA Determination lower income housing need of 64,150 units. Housing element law requires jurisdictions to identify adequate sites to accommodate their share of the region's lower income housing needs and allows the use of sites with densities of at least 30 dwelling units per acre (at least 20 dwelling units per acre for Coronado, Del Mar, and Solana Beach) in their analysis.

Allocating the region's housing need: Objectives, factors, and methodology

The RHNA Methodology and Allocation is shown in Table 4. Tables that show and compare the options considered during the development of the methodology and allocation are included in Appendix D.

Table 4: Regional Housing Needs Assessment for Fifth Housing Element Cycle

11-Year RHNA (1/1/2010 - 12/31/2020)							
	11 years	RHNA Allocation by Income Category					Est. Existing Plan Capacity
		Very Low	Low	Moderate	Above Moderate	VL + Low**	20+ du/ac
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899
Coronado	50	13	9	9	19	22	270
Del Mar	61	7	5	15	34	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582
Imperial Beach	254	63	48	45	98	111	1,784
La Mesa	1,722	430	326	302	664	756	6,498
Lemon Grove	309	77	59	54	119	136	828
National City	1,863	465	353	327	718	818	18,200
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751
Poway	1,253	201	152	282	618	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931
Santee	3,660	914	694	642	1,410	1,608	1,621
Solana Beach	340	85	65	59	131	150	262
Vista	1,374	343	260	241	530	603	1,731
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670
Region	161,980	36,450	27,700	30,610	67,220	64,150	
11-YEAR RHNA		36,450	27,700	30,610	67,220	64,150	
		22.5%	17.1%	18.9%	41.5%		

State housing element law (found, in part, at Government Code Section 65584 (d)) states that the RHNA shall be consistent with the following four objectives:

1. 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 all jurisdictions receiving an allocation of units for low-income and very low-income households.
2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
3. Promoting an improved intraregional relationship between jobs and housing.
4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

The RHNA Methodology and Allocation as shown in Table 4 meets the four objectives listed above.

1. It allocates RHNA numbers in all four income categories to each of the region's 19 jurisdictions, thus addressing the objective of promoting socioeconomic equity throughout the region. Table 2 demonstrates the mix of housing types planned for in the region by jurisdiction and subregion in the four density categories.
2. It utilizes the forecasted pattern of development from the 2050 Regional Growth Forecast, which incorporates policies in local plans that call for higher density housing to be concentrated in urbanized areas adjacent to transit and that protect environmental and agricultural resources. It also demonstrates that the region's local land use plans have significantly increased the region's multifamily housing capacity and ability to accommodate the housing needs of all income levels during the next housing element cycle and out to the horizon year of the 2050 RTP. Table 2 demonstrates the significant housing capacity, particularly in the 20 dwelling units per acre or greater density range, for which local jurisdictions have planned in the future.
3. It promotes an intraregional relationship between jobs and housing because the 2050 Regional Growth Forecast distributes housing and employment growth at a jurisdiction level using a model that considers proximity to job centers, travel times, and commuting choices, as well as land use plans. Figure 1: 2050 Transit Network and Higher Density Land Uses, shows the relationship of higher density land uses (residential, employment, and mixed use) to planned high quality transit corridors in the 2050 RTP/SCS. This map also is included in Chapter 3 of the 2050 RTP/SCS.
4. It also moves toward improving the current distribution of lower-income households in the region to reduce over-concentration. Table 4 in Appendix D compares the RHNA very low and low income allocations considered during the RHNA process and the regional (40 percent) and jurisdiction percentages of existing lower income households based on U.S. Census data (Column (a)). Column (c) is the RHNA allocation of lower income housing by jurisdiction as a percentage of their total RHNA. It shows that the RHNA moves all but two jurisdictions -- the City of Del Mar and the unincorporated area of the county -- closer to the regional percentage of lower income households. The small size of Del Mar (population just over 4,000) and the rural nature and lack of infrastructure in the unincorporated area of the county resulted in RHNA allocations with a lower percentage of lower income housing than the regional percentage of lower income households.



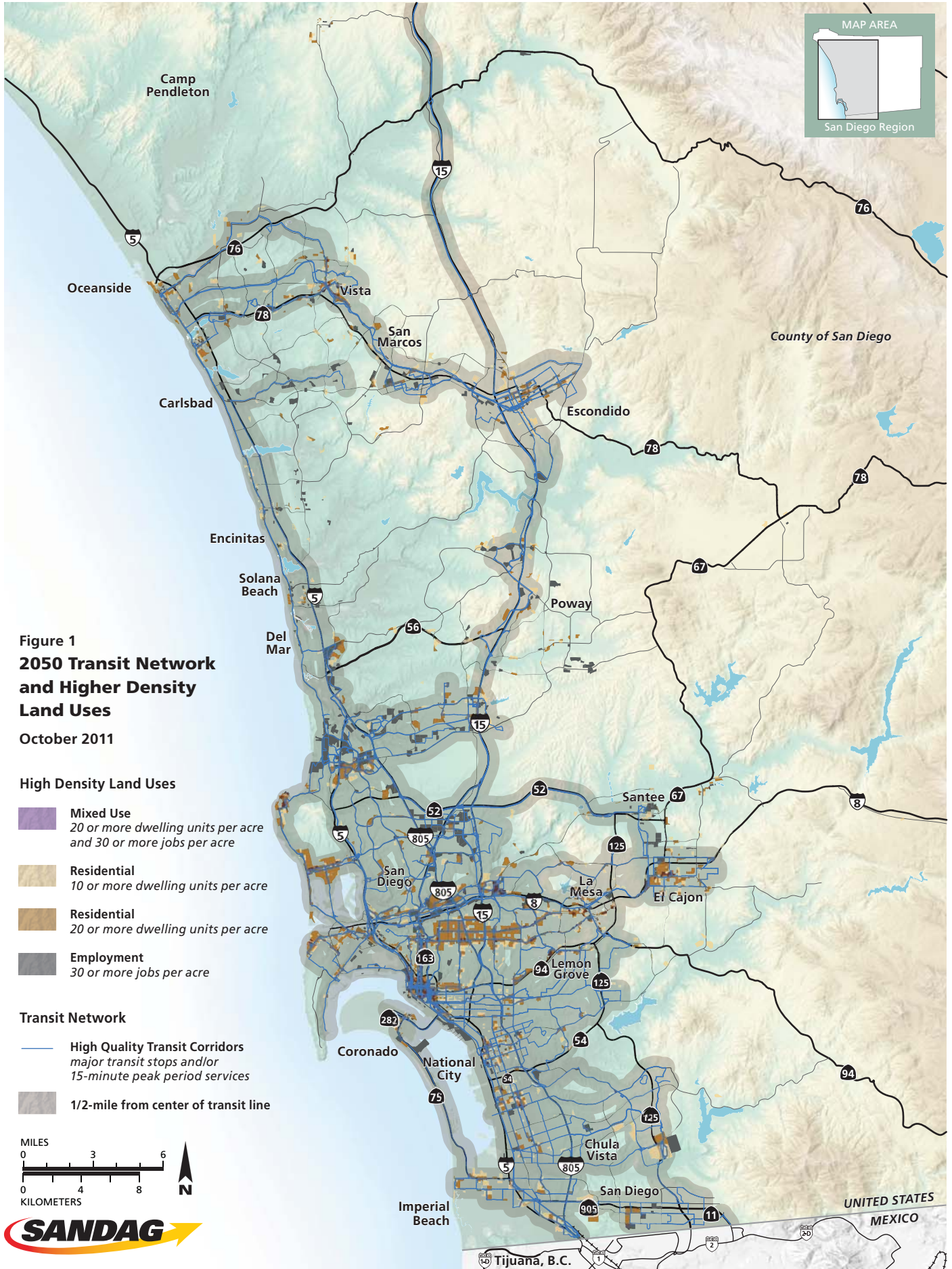


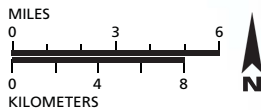
Figure 1
2050 Transit Network
and Higher Density
Land Uses
 October 2011

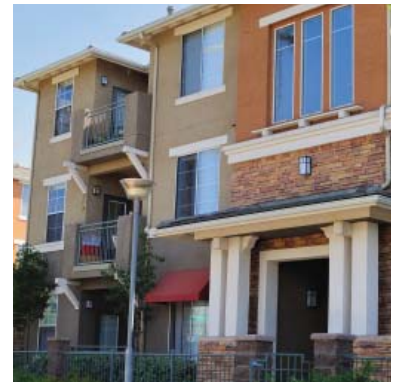
High Density Land Uses

- Mixed Use**
 20 or more dwelling units per acre
 and 30 or more jobs per acre
- Residential**
 10 or more dwelling units per acre
- Residential**
 20 or more dwelling units per acre
- Employment**
 30 or more jobs per acre

Transit Network

- High Quality Transit Corridors**
 major transit stops and/or
 15-minute peak period services
- 1/2-mile from center of transit line**





State housing element law also requires that SANDAG consider a number of factors in the development of the RHNA allocation methodology. No more than six months prior to the development of a proposed allocation methodology, SANDAG is required to survey its member agencies to request information regarding the factors listed below for use in the development of the methodology (65584.04(b)(1-4)).

As described in the section about the 2050 Forecast (pages 11-13), SANDAG obtained data (our survey) that was comparable throughout the region and readily available as inputs in the preparation of the forecast. This information was confirmed in a request SANDAG sent to the local jurisdictions in October 2010, asking for any updates that had occurred since completing the collection of land use inputs for the 2050 Forecast in December 2009. The 2050 Forecast was accepted for planning purposes in February 2010, and a technical update (used in the development of the Draft RHNA Methodology and Allocation and the Draft 2050 RTP) was accepted by the SANDAG Board in April 2011 for use in the final 2050 RTP and its SCS.

The majority of the required RHNA factors were taken into consideration during the development of the 2050 Forecast, and the Forecast serves as the foundation for the RHNA Methodology and Allocation and the 2050 Regional Transportation Plan (RTP) and its SCS land use pattern. SANDAG worked very closely in partnership with local jurisdiction staff to ensure that the 2050 Forecast reflects existing and planned land use throughout the region.

The RHNA factors as excerpted from state law and how each of the factors was addressed in the RHNA methodology is described below.

1. Each member jurisdiction's existing and projected jobs and housing relationship.

The 2050 Regional Growth Forecast takes each jurisdiction's existing and projected jobs and housing into account. The 2050 Forecast considers where job growth is expected to occur and locates new housing units based on projected increases in jobs and the commuting patterns associated with the existing and planned transportation system.

2. The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

Local jurisdiction land use inputs (i.e. residential densities included in general and community plans) are based in part on the capacity or lack of capacity for sewer and water service. One of the reasons that lower density development is planned in much of the unincorporated area is its reliance on well water and septic service.

(B) The 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. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.

The land use inputs contained in SANDAG's 2050 Forecast for the 2050 RTP and its SCS and RHNA show a significant increase in the region's projected multifamily housing units (84 percent of future residential growth) and land identified for redevelopment and infill development. Eighty percent of future residential growth is projected to occur on land that will be redeveloped.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

The 2050 Forecast shows land preserved or protected from urban development as constrained land in the 2050 Forecast, land which is not projected to be developed based on local land use plans.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

The land use inputs provided to SANDAG by the County of San Diego for the unincorporated area reflect the County's recently approved updated general plan and its plans to protect agricultural land.

- 3.** *The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.*

As described in this section, the distribution of household growth reflected in the 2050 Forecast guides the RHNA Methodology and Allocation and the 2050 RTP and its SCS. Housing is distributed and transportation facilities are planned in an iterative process using SANDAG's transportation models to ensure that the relationship between the two is maximized. Figure 1 shows the relationship between higher density residential, employment, and mixed use land use and the planned high quality transit corridors in the 2050 RTP/SCS.

- 4.** *The market demand for housing.*

The 2050 Forecast takes into consideration the market demand for housing for the region as a whole based on household growth, vacancy rates, and job growth, among other factors.

5. *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.*

During the development of the RHNA Methodology and Allocation and based on the regional planning undertaken by SANDAG and its member agencies during the past 15 to 20 years, the region's decision-makers have agreed that the region's growth should be focused in the western third of the region primarily in its incorporated cities and near transit service. This direction can be found in the Regional Comprehensive Plan and its predecessors the Regional Growth Management Strategy, Region 2020, and the Smart Growth Concept Map and 2050 RTP/SCS.

6. *The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

The loss of assisted housing developments for lower income households is an issue that will be addressed by each jurisdiction when preparing their housing elements. The data for these units is not readily available and varies by jurisdiction. This factor was not used in the RHNA Methodology and Allocation.

7. *High-housing cost burdens.*

Housing costs in the San Diego region are generally higher than the less urbanized areas of the state. It is expected that by planning for enough housing to meet the region's needs for all income levels (84 percent of new residential units are projected to be multifamily) that the cost of housing in the region will moderate as these units are constructed.

8. *The housing needs of farmworkers.*

Information was provided during the development of the RHNA Methodology and Allocation regarding agricultural workers by jurisdiction. Because it is assumed that many of these workers live in the San Diego region year-round, and that their housing needs are taken into consideration in the assessment of housing needs for very low and low income households, farmworker housing needs were not directly taken into consideration in the development of the RHNA Methodology and Allocation. The County of San Diego has recently adopted an ordinance that allows farmworker housing to be built by right in the unincorporated area of the region to help address these needs.

9. *The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.*

The housing needs of college and university students were considered in the development of the 2050 Forecast. SANDAG staff worked closely with university planning staff to incorporate master plans and planned expansions of these institutions.

10. *Any other factors adopted by the council of governments.*

In the development of the RHNA Methodology and Allocation, the working groups and staff looked at several factors such as transit proximity, jobs-housing balance and income adjustments to address equity issues. The RHNA Methodology and Allocation reflects these factors as they were considered in the development of the 2050 Forecast. However, some of the RHNA options considered and shown in the tables in Appendix D took them into consideration to a greater degree than occurred in the 2050 Forecast.



Public outreach and participation

Starting in June 2010, the Regional Planning Technical Working Group (TWG) and the Regional Housing Working Group (RHWG) began meeting jointly to discuss and formulate recommendations to the Regional Planning Committee (RPC) on the RHNA Determination and the RHNA Methodology and Allocation. The TWG and RHWG met jointly in 13 public meetings: June 8, July 9, September 9, October 21, November 10, and December 9, 2010; January 13, February 10, February 24, March 10, April 14, August 11, and September 8, 2011.

In addition to the working group meetings, the Regional Planning Committee discussed the RHNA on April 2, September 10, and December 3, 2010; and on March 4, April 1, and May 6, 2011. The SANDAG Board of Directors discussed the RHNA at Policy Board meetings on July 9, 2010, and May 13, 2011. On January 28, 2011, the Board agenda included an information item regarding the RHNA Determination from HCD and on May 27, 2011 the Board accepted the Draft RHNA Methodology and Allocation for distribution and a 60-day public review period. The Board also met on September 23, 2011, to consider the comments received during the public review period. On October 28, 2011, the Board held a public hearing to adopt the final RHNA plan. All of the RPC and Board meetings were public meetings.

In June 2011, SANDAG staff held subregional public workshops and public hearings (five) and a public hearing at the Regional Planning Stakeholders Working Group (SWG) to invite the public to review and comment on the Draft RHNA Methodology and Allocation as well as the draft 2050 RTP and its SCS, and the Draft 2050 RTP EIR.

Housing production during the 2005 – 2010 housing element cycle

Housing production in the four income categories for seven years of the RHNA projection period (January 1, 2003 – December 31, 2009 – 7.5 years) for the fourth housing element cycle is shown in Table 5. The data in this table is from the Annual Housing Element Progress Reports prepared by each jurisdiction as required by housing element law, or from contact made with jurisdictions that did not prepare an annual report. The data from the annual reports is collected by SANDAG and is used in the Regional Comprehensive Plan (RCP) Performance Monitoring Report (most recent report for 2009 accepted for distribution in September 2010) and in implementing Board Policy No. 033, which is used in the evaluation of applications for competitive funding allocated by SANDAG (e.g., the Smart Growth Incentive Program (SGIP) and *TransNet*/Transportation Development Act (TDA) Active Transportation Program.

Table 5: Very Low and Low Income RHNA Allocations and New Units Permitted - Fourth Housing Element Cycle

Fourth Housing Element Cycle RHNA Projection Period 1/1/2003 - 6/30/2010 (Data covers 7 years of RHNA Projection Period)							
	RHNA Allocation 1/1/2003 - 6/30/2010 (7.5 years)			New Units Permitted 1/1/2003 - 12/31/2009 (7 years)*			
	Very Low Income RHNA	Low Income RHNA	Total Very Low + Low RHNA	Very Low Income RHNA	Low Income RHNA	Total Very Low + Low RHNA	% of RHNA for new V.L. + L Income Units
Carlsbad	1,922	1,460	3,382	196	813	1,009	30%
Chula Vista	3,875	2,945	6,820	158	372	530	8%
Coronado	14	11	25	12	17	29	116%
Del Mar	6	4	10	0	0	0	0%
El Cajon	86	75	161	8	50	58	36%
Encinitas	392	299	691	59	34	93	13%
Escondido	548	417	965	130	123	253	26%
Imperial Beach	13	9	22	0	0	0	0%
La Mesa	89	68	157	32	0	32	20%
Lemon Grove	46	32	78	26	45	71	91%
National City	18	39	57	60	27	87	153%
Oceanside	1,445	1,098	2,543	199	209	408	16%
Poway	285	216	501	225	43	268	53%
San Diego	10,645	8,090	18,735	2,363	1,367	3,730	20%
San Marcos	1,407	1,069	2,476	295	361	656	26%
Santee	317	241	558	80	53	133	24%
Solana Beach	30	22	52	0	8	8	15%
Vista	510	388	898	32	32	64	7%
Unincorporated	2,476	1,881	4,357	97	467	564	13%
Region	24,124	18,364	42,488	3,972	4,021	7,993	19%

*Data does not include building permits issued between 1/1/10 and 6/30/10 (last 6 months of housing element cycle). Only permits for new units are included; building permits issued for rehabilitation of existing units are not included.

Source: Local jurisdiction Annual Housing Element Progress Reports and contact with local jurisdiction staff.

Appendices

A: Excerpts from housing element law – RHNA objectives, factors, and methodology	Pages 27-31
B: RHNA Determination Letter from California Department of Housing and Community Development (HCD) - November 2010	Pages 33-36
C: Key dates for RHNA for fifth housing element cycle	Page 37
D: RHNA Methodology and Allocation Option Tables and Descriptions (From May 27, 2011 SANDAG Board of Directors report)	Pages 39-54
E: Board Policy No. 033	Pages 55-62



Excerpts from Housing Element Law (Government Code Sections 65584 and 65584.04)

Regional Housing Needs Assessment (RHNA) Objectives, Methodology, and Factors

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

“future housing production may not equal regional housing need ...”

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

SANDAG/HCD RHNA consultation

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the councils of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following objectives:

RHNA plan objectives

(1) 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.

- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
 - (3) Promoting an improved intraregional relationship between jobs and housing.
 - (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.
- (e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:
- (1) Very low incomes as defined by Section 50105 of the Health and Safety Code.
 - (2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.
 - (3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.
 - (4) Above moderate incomes are those exceeding the moderate income level of Section 50093 of the Health and Safety Code.
- (f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, or 65584.07 are exempt from the California Environmental Quality Act (Division 13 commencing with Section 21000) of the Public Resources Code).

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.

RHNA allocation methodology development

- (b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).
- (2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.
- (3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this

RHNA allocation methodology data collection

section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

Public participation in RHNA methodology and allocation

Public hearing on proposed RHNA methodology

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

Factors for use in RHNA methodology

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

Jobs-housing balance

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

Opportunities and constraints to development

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

Sewer and water service capacity

(B) The 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. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water

Vacant, underutilized, infill, and redevelopment land available for residential development

Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing cost burdens.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

Land protected from urban development

Prime agricultural land in unincorporated area

Distribution of household growth in RTP

SANDAG shall explain how factors were used in RHNA

Building permit limits shall not be justification for RHNA allocations

SANDAG shall identify incentives for acceptance of higher RHNA share

60-day public comment period

- (h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

- (i) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low and very low-income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan.

**Coordination with RTP,
consistency with SCS
development pattern**

**Each jurisdiction shall
receive an allocation of
units for lower-income
households**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 23, 2010

Mr. Gary L. Gallegos
Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 95101-4231

Dear Mr. Gallegos:

RE: Regional Housing Need Determination

This letter provides the San Diego Association of Governments (SANDAG) its Regional Housing Need Determination. Pursuant to State housing element law (Government Code Section 65584, et seq.), the Department of Housing and Community Development (Department) is required to provide the determination of SANDAG's existing and projected housing need.

As you know, recent legislation amended State laws impacting regional housing and transportation planning. SB 375 (Chapter 728, Statutes of 2008) strengthened coordination of housing and transportation planning and requires Metropolitan Planning Organizations (MPOs) to prepare a sustainable communities strategy to achieve greenhouse gas emission reductions. Among other things, SB 575 (Chapter 354, Statutes of 2009) included amendments establishing the due date for San Diego local governments to update the fifth revision of their housing elements. In assessing SANDAG's regional housing need, the Department considered the importance of these legislative amendments in connection with the critical role housing plays in creating sustainable communities and providing jobs.

In determining SANDAG's regional housing need, the Department and SANDAG staff completed an extensive consultation process. On June 21, 2010, the Department met with the following SANDAG staff: Mr. Muggs Stoll, Ms. Coleen Clementson, Ms. Susan Baldwin, and Ms. Beth Jarosz. The Department, along with Ms. Baldwin and Ms. Jarosz, also consulted with Ms. Mary Heim, State Department of Finance (DOF) Deputy Director of the Demographic Research Unit. Consultations between June and November included data generation and review by SANDAG, DOF, and the Department.

Attachment 1 displays the minimum regional housing need allocation (RHNA) of 161,980 total units among four income categories for SANDAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Government Code Section 65584.01. As you know, SANDAG is responsible for adopting a methodology and RHNA Plan for the *projection* period beginning January 2010 and

ending December 2020. Within 30 days from adopting the Plan, SANDAG must submit the Plan to the Department for approval. Local governments are required to update their Housing Element for the *planning* period beginning January 2013 and ending December 2020 to accommodate the share of RHNA for each income category.

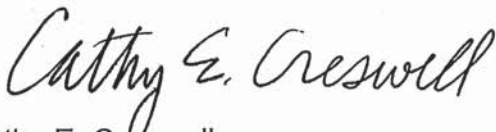
Pursuant to Government Code Section 65584, the methodology to prepare SANDAG's RHNA plan must be consistent with the following objectives:

- (1) increasing the housing supply and mix of housing types, tenure, and affordability;
- (2) promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns;
- (3) promoting an improved intraregional relationship between jobs and housing;
- (4) balancing the distribution of households by income category.

The Department commends SANDAG for its leadership and efforts in fulfilling its important role in advancing the State's housing, transportation, and environmental goals. SANDAG is also recognized for successfully undertaking the challenging task of being the first MPO in the State to begin implementing SB 375 including efforts to develop its RHNA and sustainable communities strategy. The Department especially thanks Ms. Baldwin and Ms. Jarosz for their significant efforts and assistance. The Department looks forward to its continued partnership with SANDAG and its member jurisdictions and assisting SANDAG in its planning efforts to accommodate the region's share of housing need.

If the Department can provide any additional assistance, or if you, or your staff, have any questions, please contact Glen Campora, Assistant Deputy Director, at (916) 445-4728.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

SANDAG GOVERNMENTS: JANUARY 2010 through DECEMBER 2020

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above-Moderate	41.5%	67,220
Total	100.0%	161,980

Notes:

Housing Need Determination:

Refer to Attachment 2 for a description and explanation of methodology.

The Department and SANDAG staff acknowledge important differences between the "projection" methodology specified in statute to determine housing need versus the "forecasting" methodology SANDAG used for its 2050 Growth Forecast. The planning objective of the RHNA is to accommodate housing "capacity" for projected household growth. However, among the objectives of SANDAG's Growth Forecast is to estimate housing "production" based on policy considerations (including potential constraints) and assumptions regarding variables such as housing prices, resource limitations and market trends, etc. Differences in estimates of the number of housing units can occur from applying different methodologies.

Income Categories:

Each category is defined by California Health and Safety Code (Section 50093, et seq.). Percent is derived based on Census reported household income brackets and county median income. Housing unit need is derived from multiplying income category percent against total.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION: SANDAG January 2010-December 2020

Methodology

Projected Population, Households, and New Housing Unit Need: December 31, 2020					
1.	Population: December 31, 2020 (SANDAG's Estimate):				3,568,556
2.	<i>less: Group Quarter Population (SANDAG's Estimate)</i>				-130,973
3.	Household (HH) Population:				3,437,583
4.	Projected Households (HHs):	HH Population	HH Formation or Headship Rate (DOF)	Households	
	Age Groups (DOF):	3,437,583		1,258,980	
	Under 15 years	710,371	0.00%		
	15 - 24 years	427,306	14.5589%	62,211	
	25 - 34 years	495,193	41.9984%	207,973	
	35 - 44 years	422,529	50.1651%	211,962	
	45 - 54 years	425,138	53.5210%	227,538	
	55 - 64 years	433,523	54.8790%	237,913	
	65 plus years	523,523	59.4782%	311,383	
	Projected Households (HHs):				1,258,980
5.	<i>less: Existing Households at Beginning of Projection Period (January 1, 2010)</i>				-1,103,320
6.	Household (HH) Growth: 11-Year Projection Period (New Housing Unit Need):				155,660
7.	Vacancy Allowance:	Owners	Renters	Total	
	Tenure Percentage	55.4%	44.6%		
	New Unit Need	86,304	69,356	155,660	
	Vacancy Rate	2.0%	5.0%		
	Vacancy Allowance	1,726	3,468	5,194	5,194
8.	Replacement Allowance:	0.70%		160,853	1,126
REGIONAL HOUSING NEED DETERMINATION (New Housing Unit Need):					161,980

Explanation and Data Sources

1. Population: Population reflects SANDAG's January 1, 2021 projection from its 2050 Growth Forecast. Per Government Code 65584.01(b), HCD accepted SANDAG's projection upon determining it was within 3 percent of the population projected by State Department of Finance (DOF) for the same period.
2. Group Quarter Population: Figure is SANDAG's estimate of persons residing in group home/institution/military/dormitory quarters. As this population doesn't constitute a "household" population generating demand for a housing unit, the group quarter population is subtracted from total population to derive household population or the number of persons generating a housing need for a owner or renter unit.
3. Household (HH) Population: The population projected to reside in housing units after subtracting the group quarter population from total projected population.
4. Projected Households (HHs): Projected HHs are derived by applying (to HH population) estimated HH formation rates determined by DOF among displayed age groups. *HH formation or headship rates reflect the propensity of different population groups (by age, ethnicity, etc.) to form new households.*
5. Existing Households: This figure reflects DOF's estimate of "occupied" units at start of period of January 2010 (per DOF E-5 report released May 2010 by the Demographic Research Unit). Existing HHs (units) are subtracted from projected HHs at end of period (December 31, 2020) to derive household growth.
6. Household (HH) Growth: This figure reflects projected HH growth and need for new units.
7. Vacancy Allowance: An adjustment (unit increase) is made to facilitate availability among owner and renter units. Owner/Renter % is based on Census data. A smaller rate is applied to owner units due to less frequent movement. Information from different authoritative sources support an acceptable range of 1-4% for owner units and 4-8% for renter units depending on market conditions. The 2% owner rate was reduced from the 3% rate used in 2005. No change was made to the 5% renter rate.
8. Replacement Allowance: Rate (.7%) reflects housing losses localities annually reported to DOF each January for years 2000-2010.

Key Dates for Regional Housing Needs Assessment (RHNA) Fifth Housing Element Update

February 2010	SANDAG Board of Directors accepts 2050 Regional Growth Forecast for planning purposes for use in preparing the Draft 2050 Regional Transportation Plan (2050 RTP), its Sustainable Communities Strategy (SCS), and RHNA
January 1, 2010	Eleven-year RHNA projection period for fifth housing element cycle starts (January 1, 2010 – December 31, 2020)
June 1, 2010	Joint meeting between the Regional Planning Technical Working Group (TWG) and Regional Housing Working Group (RHWG) to kick off RHNA methodology discussion: RHNA background, schedule, and principles
June 2010 – April 2011	TWG/RHWG develop RHNA allocation methodology
July 9, 2010	SANDAG Board holds policy meeting to discuss RHNA
July 23, 2010	SANDAG provides California Department of Housing and Community Development (HCD) and Caltrans date of expected adoption of 2050 RTP in writing as required by Senate Bill 575 (Steinberg, 2009)
November 2010	HCD provides SANDAG with regional housing needs determination for eleven-year RHNA projection period: January 1, 2010 – December 31, 2020
April 2011	RHNA allocation options forwarded by TWG and RHWG to Regional Planning Committee
May 2011	Regional Planning Committee makes recommendation on Draft RHNA methodology and allocation to SANDAG Board; Board accepts Draft RHNA methodology and allocation for 60-day public review
June 2011	Public workshops held in conjunction with 2050 RTP and its SCS
July/September 2011	RHNA Plan to TWG/RHWG, and Board of Directors
October 28, 2011	Final 2050 RTP, its SCS, and RHNA adopted by SANDAG Board
April 27, 2013	Due date for eight-year January 1, 2013 – December 31, 2020, housing elements (due within 18 months after RTP is adopted)*

*Housing elements are due every four years for:

1. Jurisdictions that did not adopt their fourth housing element revisions by January 1, 2009, and did not adopt the fourth revision by March 31, 2010, and complete any rezoning contained in the housing element program by June 30, 2010; and
2. Jurisdictions that do not adopt their housing element within 120 days from next housing element due date.

RHNA Methodology and Allocation Option Tables and Descriptions
May 27, 2011

Attached are background tables and RHNA Methodology and Allocation tables that have been developed during the RHNA process for the Regional Planning Technical Working Group (TWG), Regional Housing Working Group (RHWG), Regional Planning Committee, and SANDAG Board of Directors.

Tables 1a, 1b, 1c, 2b, 2c, 3a, 3c, 3d, 4, and 5 are included. Tables 2a and 3b were dropped from consideration at the March 10, 2011, joint meeting of the TWG and RHWG.

RHNA Option Tables

During the RHNA process, the two working groups (TWG and the RHWG) meeting jointly reviewed background information from the 2050 Regional Growth Forecast, and developed a number of RHNA methodology and allocation options, which considered the RHNA factors in state housing element law, meet the RHNA objectives in state law, and are consistent with the Sustainable Communities Strategy (SCS) of the Draft 2050 Regional Transportation Plan (2050 RTP).

Brief descriptions of the background information contained in Tables 1a, 1b, 4, and 5, and the remaining RHNA options shown in Tables 1c, 2b, 2c, 3a, 3c, and 3d are provided below.

To assist in understanding the RHNA allocation options, some additional information is provided below.

- The 2050 Regional Growth Forecast is the foundation for the background data and RHNA allocation options in the attached tables. Each jurisdiction's 11-year RHNA number in Table 1a, Column (e) is based on the 2050 Regional Growth Forecast.
- The numbers shown in the RHNA allocation options tables have been revised based on the technical update of the 2050 Regional Growth Forecast, and further revisions may occur based on any future changes to the transit network in the Final 2050 RTP.
- The lower income housing capacities shown in the tables are based on densities of 20 dwelling units per acre (du/ac) or greater. In state housing element law, the density associated with the identification of adequate lower income housing sites is 30 du/ac or greater for all jurisdictions in the San Diego region, except Coronado and Del Mar, which can use sites zoned for 20 du/ac or greater to identify lower income sites. State housing element law allows a jurisdiction to identify sites at lower densities if jurisdictions can demonstrate that affordable housing has been built at those densities. In addition to multifamily zoned land, jurisdictions can identify sites for farmworker housing, second units, and/or existing units that jurisdictions identify and commit funding for acquiring and rehabilitating units.
- The Very Low and Low Income (also known as lower income) RHNA numbers have been grouped together in the RHNA allocation option tables and are shown as VL+L in the table headings.
- The RHNA options in Tables 1c, 2c, 3a, 3c, and 3d exceed the existing plan lower income capacities of several jurisdictions (numbers shown in bold). (Only the RHNA option in Table 2b does not exceed the existing lower income capacities for each of the local jurisdictions.) The

TWG and RHWG discussed the potential of using incentives, such as the *TransNet* Smart Growth Incentive Program and Active Transportation Program grant funds and Board Policy No. 033 in conjunction with the methodology ultimately selected. The two groups propose to continue discussing the potential use of incentives at upcoming joint meetings and report back to the Regional Planning Committee and the Board of Directors at future meetings.

Table 1a. Distribution of Total RHNA-Determination, Jobs/Housing Data, and Percent of Very Low and Low Income Households by Jurisdiction

Table 1a addresses anticipated housing unit growth by jurisdiction over the 11-year RHNA period. To determine the 11-year RHNA projected housing unit growth, the table shows actual housing unit counts as of January 1, 2010, and housing units projected as of January 1, 2020, and January 1, 2025, based on the 2050 Regional Growth Forecast. The projected housing unit growth over the 15-year period (169,528) is then prorated to the 11-year RHNA period by jurisdiction to meet the RHNA-Determination from the California Department of Housing and Community Development (HCD) of 161,980 housing units. Existing and projected civilian jobs in 2008 and 2020 are shown and used to calculate jobs/housing ratios for those two years.

The table also includes each jurisdiction's number of agricultural jobs, and percentage and share of jobs in lower-wage industries (including retail, wholesale, leisure, and hospitality jobs). The percentages of Very Low and Low Income (VL+L) households by jurisdiction from the 2000 Census also are shown.

Table 1b. 2050 Estimated Housing Capacity

Table 1b shows the estimated housing capacity by jurisdiction in 2050 at <10, 10-19, 20-29, 30+, and 20+ dwelling units per acre (du/acre) based on the 2050 Regional Growth Forecast.

Table 1c. Regional Share Option

Table 1c allocates the 11-year RHNA projected housing unit number by jurisdiction based on the regionwide income distribution percentages assigned by HCD. The differences between the Very Low and Low Income Allocation and each jurisdiction's Existing Plan and 2050 20+ du/ac Capacity are shown in Columns (g) and (j).

This table serves as the starting point for all the remaining RHNA options (Tables 2b, 2c, 3a, 3c, and 3d).

*Table 2b. Lower Income Capacity Option – **SANDAG Staff Recommendation; Forwarded to Board of Directors by Regional Planning Committee on May 6, 2011***

Table 2b takes the 11-year RHNA projected housing numbers by jurisdiction and distributes them into the four income groups based on HCD regionwide income percentages (22.5% Very Low, 17.1% Low, 18.9% Moderate, and 41.5% Above Moderate). The Existing Plan 20+ du/ac capacity reflected in each jurisdiction's general/community plans was not exceeded to calculate the Very Low and Low Income RHNA numbers in this option. A total of 5,736 units from the jurisdictions in which existing plan capacity was exceeded in Table 1c (Carlsbad by 375 units, Del Mar by 12 units, Poway by 143 units, and the County Unincorporated Area by 5,206 units) were redistributed proportionately to jurisdictions with remaining capacity by applying an adjustment factor of 1.10871.

Table 2c. Lower Income Capacity Option with Jobs/Housing Balance Adjustment – Forwarded to Regional Planning Committee by Working Groups on April 14, 2011

Table 2c adjusts the Very Low and Low Income housing unit allocations from the December 9, 2010, RHNA Allocation Proposal (Table 2a) (which was not forwarded to the Regional Planning Committee) to address the issue of jobs/housing balance using variance calculations from the regional jobs/housing ratio and a controlled adjustment. The differences between the Very Low and Low Income Allocation and each jurisdiction's Existing Plan and 2050 20+ du/ac Capacity are shown in Columns (i) and (l).

Table 3a. Regional Share Option with Jobs/Housing Balance and Income Adjustment

Table 3a demonstrates a RHNA allocation option that allocates the Very Low and Low Income units using Table 1c, and applying a jobs/housing balance adjustment and income adjustment. The percentage and numerical differences between the Very Low and Low Income Allocation and each jurisdiction's Existing Plan capacity are shown in Columns (l) and (m), and the numerical difference between the Very Low and Low Income Allocation and each jurisdiction's 2050 20+ du/ac capacity is shown in Column (p).

Table 3c. Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment - Forwarded to Regional Planning Committee by Working Groups on April 14, 2011

Table 3c demonstrates a RHNA allocation concept that allocates the Very Low and Low Income units using Table 1c and applying three adjustments: jobs/housing balance, income, and transit (based on the housing capacity within a quarter-mile radius of the transit stations and bus stops shown on the attached 2020 peak-period high-frequency transit service map). The percentage and numerical difference between the Very Low and Low Income Allocation and each jurisdiction's Existing Plan 20+ du/ac capacity are shown in Columns (p) and (q), and the numerical difference between the Very Low and Low Income Allocation and each jurisdiction's 2050 20+ du/ac capacity is shown in Column (t).

Table 3d. Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment - Forwarded to Regional Planning Committee by Working Groups on April 14, 2011; Forwarded to Board of Directors by Regional Planning Committee on May 6, 2011

Table 3d builds on Table 3c by adding a capacity adjustment that limits the Very Low and Low Income housing capacity (20+ du/ac) of the Unincorporated Area to 3,670 units and redistributes units proportionately to all the cities by applying an adjustment factor of 1.09417.

Table 4. Households by Income and Very Low and Low Income Allocation Percentages for RHNA Concepts

Table 4 shows the percentages of Very Low and Low Income Households based on the 2000 Census and the six RHNA allocation options forwarded to the Regional Planning Committee. This table shows how each RHNA allocation option addresses the RHNA income overconcentration objective in housing element law by showing the relationship between the RHNA Very Low and Low Income allocations and the percentage of existing Very Low and Low Income households in each jurisdiction. For example, Option 2b reflects an increase of 5 percentage points in Very Low and Low Income housing for Carlsbad, and a decrease of 17 percentage points in Very Low and Low

Income housing for National City in relation to the percentage of existing Very Low and Low Income households in these jurisdictions.

Table 5 Very Low and Low Income Allocation Numbers for RHNA Options

Table 5 compares the lower income RHNA allocations for the six RHNA options as well as the estimated existing lower income capacities for each of the local jurisdictions.

Summary of RHNA Allocation Options

May 27, 2011

Options	Characteristics	Notes
Option 1c: Regional Share Option	<ul style="list-style-type: none"> • Applies income distribution percentages assigned by HCD • Based on 2050 Regional Growth Forecast 	Exceeds lower income general plan capacities of four jurisdictions – Carlsbad, Del Mar, Poway, and Unincorporated Area
Option 2b: Lower Income Capacity Option	<ul style="list-style-type: none"> • Applies income distribution percentages assigned by HCD, but does not exceed 20 du/ac capacity of any local jurisdiction • Redistributes lower income RHNA from four jurisdictions where capacity is exceeded to jurisdictions with remaining capacity 	<p>Only option where no lower income general plan capacities are exceeded</p> <p>Carlsbad, Del Mar, Poway, and Unincorporated Area lower income general plan capacities are not exceeded</p>
Option 2c: Lower Income Capacity Option with Jobs/Housing Balance Adjustment	<ul style="list-style-type: none"> • Applies jobs/housing balance adjustment to December 9, 2010, RHNA Proposal (Option 2a) • Limits Unincorporated Area lower income RHNA to 3,670 units 	<p>Exceeds lower income general plan capacities of three jurisdictions (by smallest amounts) – Carlsbad, Del Mar, and Poway</p> <p>Unincorporated Area lower income general plan capacity not exceeded</p>
Option 3a: Regional Share Option with Jobs/Housing Balance and Income Adjustments	<ul style="list-style-type: none"> • Starts with Option 1c and applies two adjustments: jobs/housing balance and income 	Exceeds lower income general plan capacities of four jurisdictions – Carlsbad, Del Mar, Poway, and Unincorporated Area
Option 3c: Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustments	<ul style="list-style-type: none"> • Starts with Option 1c and applies three adjustments: jobs/housing balance, income, and transit accessibility within quarter mile radius of high-frequency transit stops in 2020 	Exceeds lower income general plan capacities of four jurisdictions – Carlsbad, Del Mar, Poway, and Unincorporated Area
Option 3d Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment	<ul style="list-style-type: none"> • Starts with Option 3c and adds an adjustment that limits the Unincorporated Area lower income RHNA to 3,670 units 	<p>Exceeds lower income general plan capacities of three jurisdictions – Carlsbad, Del Mar, and Poway</p> <p>Unincorporated Area lower income general plan capacity not exceeded</p>

Table 1a. Distribution of Total RHNA-Determination, Jobs/Housing Data, and Percent of Very Low & Low Income Households by Jurisdiction

2050 Regional Growth Forecast (Technical Update)

	Existing and Projected Housing Units					Civilian Jobs										Jurisdiction Share of Regional Sales and Tourism Jobs	Percent VL+L Households (2000 Census)				
	1/1/2010		1/1/2020		1/1/2025	2010-20 Growth Pro-rated (15 to 11 years)		Jobs / Existing Housing Ratio (2008)		Projected Jobs (2020)		Jobs / Housing Ratio (2020)		Agri. Jobs (2008)				% Sales & Tourism Jobs (2008)		(l)	(m)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)			(p)	(q)	(r)	(s)
Cattisbad	43,844	48,104	49,076	5,232	4,999	61,999	1,4254	70,228	1,4599	360	30%	18,621	5%	26.57%							
Chula Vista	78,244	88,186	91,704	13,460	12,861	70,230	0.9064	82,146	0.9315	--	29%	20,623	6%	41.65%							
Coronado	9,562	9,580	9,614	52	50	8,166	0.8657	8,265	0.8627	--	45%	3,692	1%	25.31%							
Del Mar	2,542	2,587	2,606	64	61	4,065	1.6036	4,149	1.6038	--	56%	2,285	1%	25.16%							
El Cajon	35,644	39,187	41,719	6,075	5,805	41,686	1.1711	44,463	1.1346	--	28%	11,688	3%	52.60%							
Encinitas	24,877	26,331	27,339	2,462	2,353	26,985	1.0879	28,711	1.0904	640	31%	8,415	2%	26.99%							
Escondido	47,682	50,370	52,051	4,369	4,175	61,143	1.2902	66,803	1.3262	470	24%	14,889	4%	43.82%							
Imperial Beach	9,860	9,866	10,126	266	254	7,187	0.7296	7,479	0.7581	--	9%	678	0%	52.40%							
La Mesa	25,614	26,785	27,416	1,802	1,722	27,579	1.1023	28,813	1.0757	--	27%	7,467	2%	44.37%							
Lemon Grove	8,868	9,076	9,191	323	309	7,640	0.8662	7,890	0.8693	--	27%	2,092	1%	46.75%							
National City	15,787	17,052	17,737	1,950	1,863	21,060	1.3352	21,994	1.2898	--	39%	8,185	2%	61.14%							
Oceanside	64,758	69,630	71,257	6,499	6,210	43,977	0.6823	48,464	0.6960	910	33%	14,435	4%	39.51%							
Poway	16,364	17,233	17,675	1,311	1,253	31,176	1.9111	32,386	1.8793	60	22%	6,811	2%	21.14%							
San Diego	511,820	577,416	604,016	92,196	88,096	790,252	1.5543	838,909	1.4529	1,610	21%	167,122	48%	41.26%							
San Marcos	27,744	30,065	32,122	4,378	4,183	37,383	1.3566	40,843	1.3585	--	26%	9,837	3%	40.00%							
Santee	19,837	22,312	23,667	3,830	3,660	15,304	0.7833	16,949	0.7596	--	31%	4,764	1%	31.54%							
Solana Beach	6,521	6,646	6,877	356	340	7,533	1.1573	7,823	1.1771	--	34%	2,559	1%	26.99%							
Vista	30,716	31,602	32,154	1,438	1,374	41,315	1.3480	44,693	1.4142	100	23%	9,694	3%	42.49%							
Unincorporated	169,142	180,460	192,597	23,455	22,412	107,131	0.6420	114,338	0.6336	6,820	34%	36,443	10%	34.01%							
Region	1,149,426	1,262,488	1,318,944	169,518	161,980	1,411,811	1.2377	1,515,346	1.2003	11,100	25%	350,300	100%	39.60%							
11-YEAR RHNA																					

Regionwide Distribution of Total RHNA Target by Income Category

	%	units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above Moderate	41.5%	67,220
Total		161,980

Notes:

- (a) Actual housing unit counts (January 1, 2010)
- (b) Projected housing units January 1, 2020 from 2050 Regional Growth Forecast (Technical Update)
- (c) Projected housing units January 1, 2025 from 2050 Regional Growth Forecast (Technical Update)
- (d) Projected 15-year housing forecast (1/1/2010-1/1/2025)
- (e) Forecast pro-rated to 11-year RHNA Determination
- (f) Civilian jobs in 2008
- (g) Jobs / housing ratio in 2008
- (h) Projected civilian jobs in 2020
- (i) Projected jobs/housing ratio in 2020
- (j) Number of jobs in agriculture and mining sector in 2008, rounded to nearest 10. (Values not shown if fewer than 50 jobs.)
- (k) Percent of civilian jobs in lower-wage industries (retail, wholesale, leisure & hospitality) by jurisdiction.
- (l) Percentage share of regional sales and tourism jobs
- (m) Percent of Very Low and Low Income Households in each jurisdiction from 2000 Census

Table 1b. 2050 Estimated Housing Capacity* by Jurisdiction

2050 Regional Growth Forecast (Technical Update)						
	< 10 du/ac	10-19 du/ac	20-29 du/ac	30+ du/ac	TOTAL	20+ du/ac Capacity
	(a)	(b)	(c)	(d)	(e)	(f)
Carlsbad	3,968	1,528	885	720	7,101	1,605
Chula Vista	4,189	7,347	9,354	13,738	34,628	23,092
Coronado	12	6	148	122	288	270
Del Mar	31	28	10	2	71	12
El Cajon	-772	1,352	504	12,721	13,805	13,225
Encinitas	1,578	838	899	394	3,709	1,293
Escondido	2,543	783	493	3,550	7,369	4,043
Imperial Beach	5	745	378	1,406	2,534	1,784
La Mesa	231	220	159	7,862	8,472	8,021
Lemon Grove	135	176	190	1,220	1,721	1,410
National City	167	488	4,275	14,892	19,822	19,167
Oceanside	2,992	1,528	1,452	3,299	9,271	4,751
Poway	1,563	13	0	353	1,929	353
San Diego	10,671	22,084	51,266	149,784	233,805	201,050
San Marcos	2,292	944	2,049	882	6,167	2,931
Santee	2,587	728	484	1,166	4,965	1,650
Solana Beach	86	39	408	0	533	408
Vista	832	932	604	10,988	13,356	11,592
Unincorporated	53,938	5,314	1,179	5,223	65,654	3,670
Region	87,048	45,093	74,737	228,322	435,200	300,327

* 2050 Capacity is for discussion purposes only. 2050 Capacity includes visionary inputs beyond existing, adopted general plans.

* The 20+ du/ac capacity for the Unincorporated Area was revised to reflect the County of San Diego's assessment of its lower income capacity.

Notes:

- (a) Estimated housing capacity at less than 10 dwelling units per acre based on input provided by local jurisdictions for the 2050 Regional Growth Forecast
- (b) Estimated housing capacity at 10-19 dwelling units per acre
- (c) Estimated housing capacity at 20-29 dwelling units per acre
- (d) Estimated housing capacity at 30+ dwelling units per acre
- (e) Estimated total housing capacity
- (f) Estimated housing capacity at 20+ du/ac (c) + (d)
(The 20+ du/ac capacity in column (f) for the Unincorporated Area was adjusted to reflect the County of San Diego's assessment of its lower income capacity.)

Table 1c. Regional Share Option

11-Year RHNA (1/1/2010 - 12/31/2020)

11 years	RHNA Allocation Based on Regionwide %					Difference between VL+L Allocation and 20+ Capacity (Existing)	Est. Existing Plan Capacity 20+ du/ac Capacity	Est. 2050 Capacity* 20+ du/ac Capacity	Difference between VL+L Allocation and 20+ Capacity (2050)	
	Very Low	Low	Moderate	Above Moderate	VL + Low					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Carlsbad	4,999	1,125	855	945	2,074	1,980	375	1,605	1,605	375
Chula Vista	12,861	2,894	2,200	2,430	5,337	5,094	-16,805	21,899	23,092	-17,998
Coronado	50	11	9	9	21	20	-250	270	270	-250
Del Mar	61	14	10	12	25	24	12	12	12	12
El Cajon	5,805	1,306	993	1,097	2,409	2,299	-10,926	13,225	13,225	-10,926
Encinitas	2,353	530	402	445	976	932	-361	1,293	1,293	-361
Escondido	4,175	939	714	789	1,733	1,653	-929	2,582	4,043	-2,390
Imperial Beach	254	57	43	48	106	100	-1,684	1,784	1,784	-1,684
La Mesa	1,722	388	294	325	715	682	-5,816	6,498	8,021	-7,339
Lemon Grove	309	70	53	58	128	123	-705	828	1,410	-1,287
National City	1,863	419	319	352	773	738	-17,462	18,200	19,167	-18,429
Oceanside	6,210	1,398	1,062	1,173	2,577	2,460	-2,291	4,751	4,751	-2,291
Poway	1,253	282	214	237	520	496	143	353	353	143
San Diego	88,096	19,823	15,065	16,649	36,559	34,888	-123,385	158,273	201,050	-166,162
San Marcos	4,183	941	715	791	1,736	1,656	-1,275	2,931	2,931	-1,275
Santee	3,660	824	626	691	1,519	1,450	-200	1,650	1,650	-200
Solana Beach	340	77	58	64	141	135	-127	262	408	-273
Vista	1,374	309	235	260	570	544	-1,187	1,731	11,592	-11,048
Unincorporated	22,412	5,043	3,833	4,235	9,301	8,876	5,206	3,670	3,670	5,206
Region	161,980	36,450	27,700	30,610	67,220	64,150				
11-YEAR RHNA		<i>36,450</i>	<i>27,700</i>	<i>30,610</i>	<i>67,220</i>					
Distribution		22.5%	17.1%	18.9%	41.5%	39.6%				

* 2050 Capacity is for discussion purposes only. 2050 Capacity includes visionary inputs beyond existing, adopted general plans.

Notes:

- (a) 2050 Regional Growth Forecast pro-rated to 11-year RHNA Determination. The Forecast is based on information from local jurisdictions regarding existing and future land use policies and inputs.
- (b) Very Low Income unit allocation by jurisdiction (based on 22.5% of total)
- (c) Low Income unit allocation by jurisdiction (based on 17.1% of total)
- (d) Moderate Income unit allocation by jurisdiction (based on 18.9% of total)
- (e) Above Moderate Income unit allocation by jurisdiction (based on 41.5% of total)
- (f) Sum of Very Low + Low Income unit allocation (b) + (c)
- (g) Difference between Low + Very Low Income unit allocation and estimated capacity at 20+ du/acre = (f) - (h)
- (h) Estimated Existing Plan housing capacity at 20+ du/ac
- (i) Estimated 2050 housing capacity at 20+ du/ac
- (j) Difference between Low + Very Low Income unit allocation and estimated 2050 capacity at 20+ du/acre = (f) - (i)

Table 2b. Lower Income Capacity Option

SANDAG STAFF RECOMMENDATION

11-Year RHNA (1/1/2010 - 12/31/2020)

FORWARDED TO BOARD BY RPC ON 5/6/11

	RHNA Allocation by Income Category						Est. Existing Plan Capacity	Est. 2050 Capacity*
	11 years	Very Low	Low	Moderate	Above Moderate	VL + Low**	20+ du/ac	20+ du/ac
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899	23,092
Coronado	50	13	9	9	19	22	270	270
Del Mar	61	7	5	15	34	12	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582	4,043
Imperial Beach	254	63	48	45	98	111	1,784	1,784
La Mesa	1,722	430	326	302	664	756	6,498	8,021
Lemon Grove	309	77	59	54	119	136	828	1,410
National City	1,863	465	353	327	718	818	18,200	19,167
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751	4,751
Poway	1,253	201	152	282	618	353	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273	201,050
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931	2,931
Santee	3,660	914	694	642	1,410	1,608	1,650	1,650
Solana Beach	340	85	65	59	131	150	262	408
Vista	1,374	343	260	241	530	603	1,731	11,592
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670	3,670
Region	161,980	36,450	27,700	30,610	67,220	64,150		
11-YEAR RHNA		36,450	27,700	30,610	67,220	64,150		
		22.5%	17.1%	18.9%	41.5%			

* 2050 Capacity is for discussion purposes only. 2050 Capacity includes visionary inputs beyond existing, adopted general plans.

**Allocation proposal is based on Existing Plan capacity, or regional allocation, whichever is lower in jurisdictions where Existing Plan capacity is exceeded (see bolded numbers in Table 1c, column (j))

Notes:

- (a) 2050 Regional Growth Forecast pro-rated to 11-year RHNA Determination.
The Forecast is based on information from local jurisdictions regarding existing and future land use policies and inputs.
- (b) Very Low Income unit allocation by jurisdiction (based on 22.5% of total, or Existing Plan capacity for 20+ du/acre).
- (c) Low Income unit allocation by jurisdiction (based on 17.1% of total, or Existing Plan capacity for 20+ du/acre).
- (d) Moderate Income unit allocation by jurisdiction (balance of total minus other Income categories) = (a) - (b) - (c) - (e)
- (e) Above Moderate Income unit allocation by jurisdiction (based on 41.5% of total, or balance of units).
- (f) Sum of Very Low + Low Income unit allocation = (b) + (c)
- (g) Estimated Existing Plan housing capacity at 20+ du/ac
- (h) Estimated 2050 housing capacity at 20+ du/ac

Table 2c: Lower Income Capacity Option with Jobs/Housing Balance Adjustment

11-Year RHNA (1/1/2010 - 12/31/2020)

11 year RHNA	Jobs/Housing Balance Adjustment										Difference between VL+L Allocation and 20+ Capacity (Existing)	20+ du/ac Capacity	Est. 2050 Capacity*	Difference between VL+L Allocation and 20+ Capacity (2050)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)				
	VL + Low Units (Dec 9 Proposal)*	Jobs/Housing Ratio (2020)	Variance from Regional Average	Half of Variance Calculation	Basic Variance Calculation	Controlled Adjustment for Jobs/Housing Ratio	VL + Low Allocation After Jobs/Housing Adjustment**	Difference between VL+L Allocation and 20+ Capacity (Existing)	20+ du/ac Capacity	Est. 2050 Capacity*	Difference between VL+L Allocation and 20+ Capacity (2050)			
Carlsbad	4,999	1,605	1.4599	0.2596	0.12980	208	191	1,796	191	1,605	1,605	191		
Chula Vista	12,861	5,384	0.9315	-0.2688	-0.13440	-724	-798	4,586	-17,313	21,899	23,092	-18,506		
Coronado	50	21	0.8627	-0.3376	-0.16880	4	-5	16	-254	270	270	-254		
Del Mar	61	12	1.6038	0.4035	0.20175	2	2	14	2	12	12	2		
El Cajon	5,805	2,430	1.1346	-0.0657	-0.03285	-80	-88	2,342	-10,883	13,225	13,225	-10,883		
Encinitas	2,353	985	1.0904	-0.1099	-0.05495	-54	-60	925	-368	1,293	1,293	-368		
Escondido	4,175	1,747	1.3262	0.1259	0.06295	110	101	1,848	-734	2,582	4,043	-2,195		
Imperial Beach	254	106	0.7581	-0.4422	-0.22110	-23	-26	80	-1,704	1,784	1,784	-1,704		
La Mesa	1,722	721	1.0757	-0.1246	-0.06230	-45	-50	671	-5,827	6,498	8,021	-7,350		
Lemon Grove	309	130	0.8693	-0.3310	-0.16550	-22	-24	106	-722	828	1,410	-1,304		
National City	1,863	780	1.2898	0.0895	0.04475	35	32	812	-17,388	18,200	19,167	-18,355		
Oceanside	6,210	2,600	0.6960	-0.5043	-0.25215	-656	-723	1,877	-2,874	4,751	4,751	-2,874		
Poway	1,253	353	1.8793	0.6790	0.33950	120	110	463	110	353	353	110		
San Diego	88,096	36,873	1.4529	0.2526	0.12630	4,657	4,262	41,135	-117,138	158,273	201,050	-159,915		
San Marcos	4,183	1,750	1.3585	0.1582	0.07910	138	127	1,877	-1,054	2,931	2,931	-1,054		
Santee	3,660	1,533	0.7596	-0.4407	-0.22035	-338	-373	1,160	-490	1,650	1,650	-490		
Solana Beach	340	143	1.1771	-0.0232	-0.01160	-2	-2	141	-121	262	408	-267		
Vista	1,374	575	1.4142	0.2139	0.10695	61	56	631	-1,100	1,731	11,592	-10,961		
Unincorporated	22,412	6,402	0.6336	-0.5667	-0.28335	-2,479	-2,732	3,670	0	3,670	3,670	0		
Region	161,980	64,150	1.2003			904	0	64,150						

*Original December 9 Proposal methodology (Table 2a) with changes based on technical update of 2050 Regional Growth Forecast

**Adjustment made to cap the Unincorporated Area at 3,670 units

Notes:

- (a) 2050 Regional Growth Forecast pro-rated to 11-year RHNA Determination.
- The Forecast is based on information from local jurisdictions regarding existing and future land use policies and inputs.
- (b) Sum of Very Low + Low Income unit allocation from Table 2a column (f)
- (c) Projected jobs/housing ratio in 2020
- (d) Variance of each jurisdiction's jobs/housing ratio from the regional average = 1.2003 (regional average) - (c)
- (e) Half of Variance = (d) * 1/2
- (f) Uncontrolled Adjustment of jobs/housing ratio = (b) * (e)
- (g) Adjustment of jobs/housing balance = (b) * (e) controlled to a net balance of zero regionwide
- (h) New Very Low + Low Income unit allocation with controlled jobs/housing factor = (b) + (g)
- (i) Difference between Very Low + Low Income unit allocation and estimated 20+ du/ac capacity
- (j) Estimated Existing Plan housing capacity at 20+ du/ac
- (k) Estimated 2050 housing capacity at 20+ du/ac
- (l) Difference between Very Low + Low Income unit allocation and estimated 2050 capacity at 20+ du/acre = (h) - (k)

Table 3a: Regional Share Option with Jobs/Housing Balance and Income Adjustment

11-Year RHNA (1/1/2010 - 12/31/2020)

11 year RHNA	Jobs/Housing Balance Adjustment				Income Adjustment				Est. Existing Plan Capacity			Difference between VL+L Allocation and 20+ Capacity (2050)			
	VL+ Low (Regionwide Shares)	Jobs/Housing Ratio (2020)	Variance from Regional Average	Half of Variance	Controlled Adjustment for Jobs/Housing Ratio	Households by VL + L	Variance from Regional Average	Half of Variance	Controlled Adjustment for Income	VL + L Allocation After Jobs/Housing & Income Adjustment	VL + L Allocation as Percentage of 20+ du/acre Capacity (Existing)		Difference between VL+L Allocation and 20+ Capacity (Existing)	20+ du/acre Capacity	20+ du/acre Capacity
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
Carlsbad	4,999	1,980	1.4599	0.2596	0.12980	237	26.57%	13.03%	6.515%	140	2,357	752	1,605	1,605	752
Chula Vista	12,861	5,094	0.9315	-0.2688	-0.13440	-749	41.65%	-2.05%	-1.025%	-49	4,296	-17,603	21,899	23,092	-18,796
Coronado	50	20	0.8627	-0.3376	-0.16880	-4	25.31%	14.29%	7.145%	1	17	-253	270	270	-253
Del Mar	61	24	1.6038	0.4035	0.20175	5	25.16%	14.44%	7.220%	2	31	19	12	12	19
El Cajon	5,805	2,299	1.1346	-0.0657	-0.03285	-83	52.60%	-13.00%	-6.500%	-139	2,077	-11,148	13,225	13,225	-11,148
Encinitas	2,353	932	1.0904	-0.1099	-0.05495	-56	26.99%	12.61%	6.305%	64	940	-353	1,293	1,293	-353
Escondido	4,175	1,653	1.3262	0.1259	0.06295	96	43.82%	-4.22%	-2.110%	-33	1,716	-866	2,582	2,582	-2,327
Imperial Beach	254	100	0.7581	-0.4422	-0.22110	-24	52.40%	-12.80%	-6.400%	-6	70	-1,714	1,784	1,784	-1,714
La Mesa	1,722	682	1.0757	-0.1246	-0.06230	-46	44.37%	-4.77%	-2.385%	-15	621	-5,877	6,498	8,021	-7,400
Lemon Grove	309	123	0.8693	-0.3310	-0.16550	-22	46.75%	-7.15%	-3.575%	-4	97	-731	828	1,410	-1,313
National City	1,863	738	1.2898	0.0895	0.04475	31	61.14%	-21.54%	-10.770%	-74	695	-17,505	18,200	19,167	-18,472
Oceanside	6,210	2,460	0.6960	-0.5043	-0.25215	-678	39.51%	0.09%	0.045%	2	1,784	-2,967	4,751	4,751	-2,967
Poway	1,253	496	1.8793	0.6790	0.33950	155	21.14%	18.46%	9.230%	50	701	348	353	353	348
San Diego	88,096	34,888	1.4529	0.2526	0.12630	4,063	41.26%	-1.66%	-0.830%	-269	38,682	-119,591	158,273	201,050	-162,368
San Marcos	4,183	1,656	1.3585	0.1582	0.07910	121	40.00%	-0.40%	-0.200%	-3	1,774	-1,157	2,931	2,931	-1,157
Santee	3,660	1,450	0.7596	-0.4407	-0.22035	-349	31.54%	8.06%	4.030%	63	1,164	-486	1,650	1,650	-486
Solana Beach	340	135	1.1771	-0.0232	-0.01160	-2	26.99%	12.61%	6.305%	10	143	-119	262	408	-265
Vista	1,374	544	1.4142	0.2139	0.10695	54	42.49%	-2.89%	-1.445%	-8	590	-1,141	1,731	11,592	-11,002
Unincorporated	22,412	8,876	0.6336	-0.5667	-0.28335	-2,749	34.01%	5.59%	2.795%	268	6,395	2,725	3,670	3,670	2,725
Region	161,980	64,150	1.2003	0.0000	0.00000	0	39.60%	0.00%	0.000%	0	64,150	0	64,150	64,150	0

Notes:

- (a) 2050 Regional Growth Forecast pro-rated to 11-year RHNA Determination. The Forecast is based on information from local jurisdictions regarding existing and future land use policies and inputs.
- (b) Very Low + Low Income unit allocation based on regional shares
- (c) Projected jobs/housing ratio in 2020
- (d) Variance of each jurisdiction's jobs/housing ratio from the regional average = 1.2003 (regional average) - (c)
- (e) Half of Variance = (d) * 1/2
- (f) Adjustment for jobs/housing balance = (b) * (e) controlled to a net balance of 0 regionwide
- (g) Percentage of Very Low + Low Income Households in each jurisdiction (2000 Census)
- (h) Variance from regional average of VL + L Income Households = 39.6% - (g)
- (i) Half of Variance = (h) * 1/2
- (j) Adjustment for Income distribution = (b) * (i) controlled to a net balance of 0 regionwide
- (k) New Very Low + Low Income unit allocation with controlled jobs/housing factor & controlled income adjustment = (b) + (f) + (i)
- (l) New Very Low + Low Income unit allocation expressed as percentage of 20+ du/acre capacity = (k)/(n)
- (m) Difference between Very Low + Low Income unit allocation and estimated 20+ du/acre capacity (k) - (n)
- (n) Estimated Existing Plan housing capacity at 20+ du/acre
- (o) Estimated 2050 housing capacity at 20+ du/acre
- (p) Difference between Very Low + Low Income unit allocation and estimated 2050 capacity at 20+ du/acre = (k) - (o)

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Table 3c: Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment
11-Year RHNA (1/1/2010 - 12/31/2020)

	Jobs/Housing Balance Adjustment				Income Adjustment				Transit Adjustment				Est. 2050 Capacity									
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
Carlsbad	4,999	1,980	1,4599	0.2596	0.12980	237	26.57%	13.03%	6.52%	140	36.29%	-31.98%	-15.98%	-187	2,170	135%	565	1,605	1,605	565		
Chula Vista	12,861	5,094	0.9315	-0.2688	-0.13440	-749	41.65%	-2.05%	-1.03%	-49	60.88%	-7.39%	-3.70%	-111	4,185	19%	-17,714	21,899	23,092	-16,907		
Coronado	50	20	0.9627	-0.3376	-0.16880	-4	25.31%	14.23%	7.15%	1	83.68%	15.41%	7.71%	5	22	8%	-248	270	270	-248		
Del Mar	61	24	1.6038	0.4035	0.20175	5	25.16%	14.44%	7.22%	2	74.65%	6.38%	3.19%	2	33	275%	21	12	12	21		
El Cajon	5,805	2,299	1.1346	-0.0657	-0.03285	-83	52.60%	-13.00%	-6.50%	-139	77.28%	9.01%	4.51%	338	2,415	18%	-10,810	13,225	13,225	-10,810		
Encinitas	2,353	932	1.0904	-0.1099	-0.05495	-56	26.99%	12.61%	6.31%	64	53.90%	-14.37%	-7.19%	-39	901	70%	-392	1,293	1,293	-392		
Escondido	4,175	1,653	1.3262	0.1259	0.06295	96	43.82%	-4.22%	-2.11%	-33	64.34%	-3.93%	-1.97%	-19	1,697	66%	-885	2,582	4,043	-2,346		
Imperial Beach	1,524	100	0.7581	-0.4422	-0.22110	-24	52.40%	-12.80%	-6.40%	-6	94.20%	25.93%	12.97%	42	112	6%	-1,672	1,784	1,784	-1,672		
La Mesa	2,722	682	1.0757	-0.1246	-0.06230	-46	44.37%	-4.77%	-2.39%	-15	90.20%	21.93%	10.97%	244	865	13%	-5,633	6,498	8,021	-7,156		
Lemon Grove	309	123	0.8693	-0.3310	-0.16550	-22	46.75%	-7.15%	-3.58%	-4	68.91%	0.64%	0.32%	1	98	12%	-730	828	1,410	-1,312		
National City	1,863	738	1.2888	0.0895	0.04475	31	61.14%	-21.54%	-10.77%	-74	94.29%	26.02%	13.01%	314	1,009	6%	-17,191	18,200	19,167	-18,158		
Oceanside	6,210	2,460	0.6960	-0.5043	-0.25215	-678	39.51%	0.09%	0.05%	2	42.00%	-26.27%	-13.14%	-191	1,593	34%	-3,158	4,751	4,751	-3,158		
Poway	1,253	496	1.8793	0.6790	0.33950	155	21.14%	18.46%	9.23%	50	0.00%	-68.27%	-34.14%	-100	601	170%	248	353	353	248		
San Diego	86,096	34,888	1.4529	0.2526	0.12630	4,063	41.26%	-1.66%	-0.83%	-269	71.40%	3.13%	1.57%	1,785	40,467	26%	-117,806	158,273	201,050	-160,583		
San Marcos	4,183	1,656	1.3585	0.1582	0.07910	121	40.00%	-0.40%	-0.20%	-3	50.63%	-17.63%	-8.82%	-86	1,888	58%	-1,243	2,931	2,931	-1,243		
Santee	3,660	1,450	0.7596	-0.4407	-0.22035	-349	31.54%	8.06%	4.03%	63	2.87%	-65.40%	-32.70%	-280	884	54%	-766	1,650	1,650	-766		
Solana Beach	340	135	1.1771	-0.0232	-0.01160	-2	26.99%	12.61%	6.31%	10	32.08%	-36.19%	-18.10%	-14	129	49%	-133	262	408	-279		
Viola	1,374	544	1.4142	0.2139	0.10695	54	42.49%	-2.89%	-1.45%	-8	73.83%	5.56%	2.78%	50	640	37%	-1,091	1,731	11,952	-10,952		
Unincorporated	22,412	8,876	0.6336	-0.5667	-0.28335	-2,749	34.01%	5.59%	2.80%	268	1.33%	-66.94%	-33.47%	-1,754	4,641	126%	971	3,670	3,670	971		
Region	161,980	64,150	1,2003	0.0000	0.00000	0	39.60%	0.00%	0.00%	0	0			0	64,150							

*For this analysis, the transit types included are: Bus Rapid Transit (BRT), rail, and local and express bus routes with 15 minute headways or better during peak periods
**For this calculation, the incorporated area housing capacity average was used instead of the regional average. This is based on the fact that the Unincorporated Area has little transit service and very low density land which significantly reduces the regional average housing capacity within a quarter mile of transit.

Notes:

- (a) 2050 Regional Growth Forecast pro-rated to 11-year RHNA Determination.
- (b) The Forecast is based on information from local jurisdictions regarding existing and future land use policies and inputs.
- (c) Very Low + Low Income unit allocation based on regional shares
- (d) Projected jobs/housing balance in 2020
- (e) Variance of each jurisdiction's jobs/housing ratio from the regional average = 1.2003 (regional average) - (c)
- (f) Half of Variance = (d) * 1/2
- (g) Adjustment for jobs/housing balance = (b) * (e) controlled to a net balance of 0 regionwide
- (h) Percentage of Very Low + Low Income Households in each jurisdiction (2000 Census)
- (i) Variance from regional average of VL+L Income Households = 39.6% - (g)
- (j) Half of Variance = (h) * 1/2
- (k) Percent of each jurisdiction's capacity within 1/4 mile of a transit stop
- (l) Difference between Very Low + Low Income unit allocation and estimated 2050 capacity at 20+ du/acre = (o) - (s)
- (m) Adjustment for transit = (m) * 1/2
- (n) Very Low + Low Income unit allocation with controlled Jobs/Housing, Income, & Transit adjustment = (b) + (f) + (j) + (n)
- (o) Very Low + Low Income unit allocation expressed as percentage of 20+ du/acre capacity = (o)/(t)
- (p) Adjustment for income distribution = (b) * (i) controlled to a net balance of 0 regionwide
- (q) Difference between VL+L Income unit allocation and existing 20+ du/acre capacity = (o) - (r)
- (r) Estimated Existing Plan housing capacity at 20+ du/acre
- (s) Estimated 2050 Capacity at 20+ du/acre
- (t) Difference between Very Low + Low Income unit allocation and estimated 2050 capacity at 20+ du/acre = (o) - (s)

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11-Year RHNA (1/1/2010 - 12/31/2020)

11 year RHNA	VL+ Low (Regionwide Shares)	New Starting Shares	Jobs/Housing Balance Adjustment			Income Adjustment			Transit Adjustment			VL + L Allocation After Jobs/Housing, Income, & Transit Adjustment	VL + L Allocation as Percentage of 20+ du/acre Capacity (Existing)	Difference between VL+L Allocation and 20+ Capacity (Existing)	Est. 2050 Capacity	Difference between VL+L Allocation and 20+ Capacity (2050)				
			Jobs/Housing Ratio (2020)	Variance from Regional Average	Half of Variance	Controlled Adjust for Jobs/Housing Balance	Households by Income - VL + L	Variance from Regional Average	Half of Variance	Controlled Income Adjustment	Percent Housing Unit Capacity with a Qtr of Transit*						Variance from Incorporated Average**	Half of Variance	Controlled Adjustment for Transit	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
Carlsbad	4,999	1,980	1,4599	0.2598	0.12980	191	26.57%	13.03%	6.515%	220	36.29%	-31.98%	-15.99%	-258	2,319	144%	714	1,605	714	
Chula Vista	12,861	5,094	0.9315	-0.2688	-0.13440	-1,424	41.65%	-2.05%	-1.025%	-42	60.85%	-7.39%	-3.70%	-153	3,955	18%	-17,944	21,899	-19,137	
Coronado	50	20	0.8627	-0.3376	-0.16880	-8	25.31%	14.29%	7.145%	3	83.65%	15.41%	7.71%	3	30	7%	-250	270	-250	
Del Mar	61	24	1.6038	0.4035	0.20175	4	25.16%	14.44%	7.220%	3	74.65%	6.38%	3.19%	1	34	283%	22	12	22	
El Cajon	5,805	2,289	1,1346	-0.0657	-0.03285	-168	52.60%	-13.00%	-6.500%	-121	77.28%	9.01%	4.51%	173	2,410	18%	-10,815	13,225	-10,815	
Encinitas	2,353	922	1,020	1.0904	-0.05495	-107	26.98%	12.61%	6.305%	100	53.90%	-14.37%	-7.19%	-55	958	74%	-335	1,293	-335	
Escondido	4,175	1,653	1,3262	0.1289	0.06295	78	43.82%	-4.22%	-2.110%	-28	64.34%	-3.93%	-1.97%	-27	1,832	71%	-1,704	1,784	-2,211	
Imperial Beach	254	109	0.7581	-0.4422	-0.22110	-46	52.40%	-12.80%	-6.400%	-5	94.20%	25.93%	12.97%	22	80	4%	-1,704	1,784	-1,704	
La Mesa	1,722	682	1,0757	-0.1246	-0.06230	-88	44.37%	-4.77%	-2.385%	-13	90.20%	21.93%	10.97%	125	770	12%	-5,728	6,498	-7,251	
Lemon Grove	309	123	0.8693	-0.3310	-0.16550	-42	46.75%	-7.15%	-3.575%	-3	68.91%	0.64%	0.32%	0	90	11%	-738	828	-1,320	
National City	1,863	738	1,2898	0.0895	0.04475	25	61.14%	-21.54%	-10.770%	-64	94.29%	26.02%	13.01%	160	928	5%	-17,272	18,200	-18,239	
Oceanside	6,210	2,460	0.6960	-0.5043	-0.25215	-1,291	39.51%	0.09%	0.045%	2	42.00%	-26.27%	-13.14%	-263	1,140	24%	-3,611	4,751	-3,611	
Poway	1,253	496	1,8793	0.6790	0.33950	125	21.14%	18.46%	9.230%	78	0.00%	-68.27%	-34.14%	-138	608	172%	255	353	255	
San Diego	88,096	34,888	38,173	1,4529	0.2620	3,270	41.26%	-1.66%	-0.830%	-234	71.40%	3.13%	1.57%	910	42,119	27%	-116,154	156,273	-156,931	
San Marcos	4,183	1,656	1,812	1.3585	0.1582	97	40.00%	-0.40%	-0.200%	-3	50.63%	-17.63%	-8.82%	-119	1,787	61%	-1,144	2,931	-1,144	
Santee	3,660	1,450	1,587	0.7596	-0.4407	-666	31.54%	8.06%	4.030%	99	2.87%	-65.40%	-32.70%	-388	634	38%	-1,016	1,650	-1,016	
Solana Beach	340	135	1,148	-1.1771	-0.01160	-4	25.99%	12.61%	6.305%	14	32.08%	-36.19%	-18.10%	-20	138	53%	-124	262	-408	
Vista	1,374	544	1,4142	0.2139	0.10695	44	42.49%	-2.89%	-1.445%	-6	73.83%	5.56%	2.78%	25	658	38%	-1,073	1,731	-1,592	
Unincorporated	22,412	8,876	1,2003			0	39.60%			0				0	64,150	100%	0	3,670	3,670	0
Region	161,980	64,150	1,2003			0				0				0	64,150			3,670	3,670	0

*New starting shares based on VL + L Regionwide Shares with an adjustment made to cap the Unincorporated Area at 3,670 units, and 5,206 units distributed proportionally to the remaining jurisdictions

** For this analysis, the transit types included are: Bus Rapid Transit (BRT), rail, and local and express bus routes with 15 minute headways or better during peak periods

*** For this calculation, the incorporated area housing capacity average was used as opposed to the regional average. This is based on the fact that the Unincorporated Area has little transit service and very low density land which significantly reduces the regional average housing capacity within a quarter mile of transit.

Notes:

- (a) 2050 Regional Growth Forecast pro-rated to 11-year RHNA Determination.
- (b) The Forecast is based on information from local jurisdictions regarding existing and future land use policies and inputs.
- (c) New Starting Shares
- (d) Projected jobs/housing balance in 2020
- (e) Variance of each jurisdiction's jobs/housing ratio from the regional average = 1,2003 (regional average) - (c)
- (f) Half of Variance = (e) * 1/2
- (g) Adjustment for jobs/housing balance = (a) * (f) controlled to a net balance of 0 regionwide
- (h) Percentage of Very Low + Low Income Households in each jurisdiction (2000 Census)
- (i) Variance from regional average of VL+ L Income Households = 39.6% - (g)
- (j) Half of Variance = (i) * 1/2
- (k) Adjustment for income distribution = (c) * (j) controlled to a net balance of 0 regionwide
- (l) Percent of each jurisdiction's capacity within 1/4 mile of a transit stop
- (m) Variance of each jurisdiction's transit accessible housing capacity from incorporated average = (l) - 69%
- (n) Half of variance = (m) * 1/2
- (o) Adjustment for transit = (n) * (c) controlled to a net balance of 0 regionwide
- (p) Very Low + Low Income unit allocation with controlled jobs/housing, income, & Transit adjustment = (c) + (g) + (k) + (o)
- (q) Very Low + Low Income unit allocation expressed as a percentage of existing 20+ du/acre capacity = (p)/(s)
- (r) Difference between Very Low + Low Income unit allocation and existing 20+ du/acre capacity = (p) - (s)
- (s) Estimated Existing Plan housing capacity at 20+ du/acre
- (t) Estimated 2050 housing capacity at 20+ du/acre
- (u) Difference between Very Low + Low Income unit allocation and estimated 2050 capacity at 20+ du/acre = (p) - (t)

May 27, 2011

Table 4. Households by Income and Very Low & Low Income Allocation Percentages for RHNA Options

11-Year RHNA (1/1/2010 - 12/31/2020)

	Households by Income (2000 Census)	Regional Share Option (Table 1c)	Lower Income Capacity Option (Table 2b)	Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)	Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)	Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)	Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3d)
	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Carlsbad	27%	40%	32%	36%	47%	43%	46%
Chula Vista	42%	40%	44%	36%	33%	33%	31%
Coronado	25%	40%	44%	32%	34%	44%	40%
Del Mar	25%	40%	20%	23%	51%	54%	56%
El Cajon	53%	40%	44%	40%	36%	42%	42%
Encinitas	27%	40%	44%	39%	40%	38%	41%
Escondido	44%	40%	44%	44%	41%	41%	44%
Imperial Beach	52%	40%	44%	31%	28%	44%	31%
La Mesa	44%	40%	44%	39%	36%	50%	45%
Lemon Grove	47%	40%	44%	34%	31%	32%	29%
National City	61%	40%	44%	44%	37%	54%	50%
Oceanside	40%	40%	44%	30%	29%	26%	18%
Poway	21%	40%	28%	37%	56%	48%	49%
San Diego	41%	40%	44%	47%	44%	46%	48%
San Marcos	40%	40%	44%	45%	42%	40%	43%
Santee	32%	40%	44%	32%	32%	24%	17%
Solana Beach	27%	40%	44%	41%	42%	38%	41%
Vista	42%	40%	44%	46%	43%	47%	48%
Unincorporated	34%	40%	16%	16%	29%	21%	16%
Region	40%	40%	40%	40%	40%	40%	40%

Notes:

- (a) Proportion of households in Very Low and Low Income categories (Where "Very Low" is defined as less than 50% of regional median household income and "Low" is defined as 50-80% of regional median household income defined by California Dept. of Housing and Community Development).
- (b) Percent of Very Low + Low Income Units under the Regional Share Option (Table 1c)
- (c) Percent of Very Low + Low Income Units under the Lower Income Capacity Option (Table 2b)
- (d) Percent of Very Low + Low Income Units under the Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)
- (e) Percent of Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
- (f) Percent of Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)
- (g) Percent of Very Low + Low Income Units under the Revised Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3d)

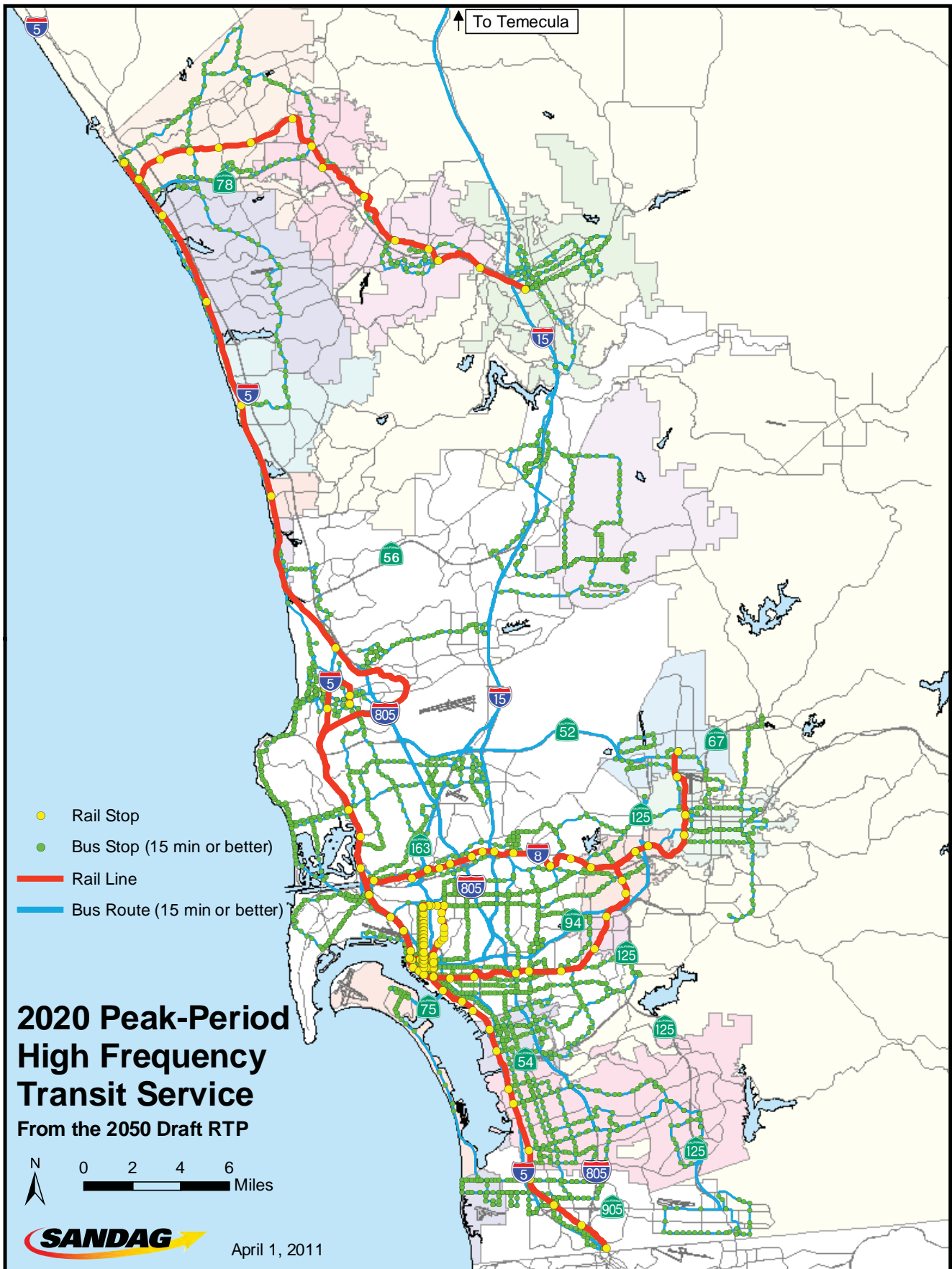
Table 5. Very Low & Low Income Allocation Numbers for RHNA Options

11-Year RHNA (1/1/2010 - 12/31/2020)

	Regional Share Option (Table 1c)	Lower Income Capacity Option (Table 2b)	Lower Income Capacity with Jobs/Housing Balance Adjustment (Table 2c)	Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)	Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)	Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Capacity Adjustment (Table 3d)	Estimated Existing Capacity
	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	20+ du/ac capacity
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Carlsbad	1,980	1,605	1,796	2,357	2,170	2,319	1,605
Chula Vista	5,094	5,648	4,586	4,296	4,185	3,955	21,899
Coronado	20	22	16	17	22	20	270
Del Mar	24	12	14	31	33	34	12
El Cajon	2,299	2,549	2,342	2,077	2,415	2,410	13,225
Encinitas	932	1,033	925	940	901	958	1,293
Escondido	1,653	1,833	1,848	1,716	1,697	1,832	2,582
Imperial Beach	100	111	80	70	112	80	1,784
La Mesa	682	756	671	621	865	770	6,498
Lemon Grove	123	136	106	97	98	90	828
National City	738	818	812	695	1,009	928	18,200
Oceanside	2,460	2,727	1,877	1,784	1,593	1,140	4,751
Poway	496	353	463	701	601	608	353
San Diego	34,888	38,680	41,135	38,682	40,467	42,119	158,273
San Marcos	1,656	1,836	1,877	1,774	1,688	1,787	2,931
Santee	1,450	1,608	1,160	1,164	884	634	1,650
Solana Beach	135	150	141	143	129	138	262
Vista	544	603	631	590	640	658	1,731
Unincorporated	8,876	3,670	3,670	6,395	4,641	3,670	3,670
Region	64,150	64,150	64,150	64,150	64,150	64,150	241,817

Notes:

- (a) Very Low + Low Income Units under the Regional Share Option (Table 1c)
- (b) Very Low + Low Income Units under the Lower Income Capacity Option (Table 2b)
- (c) Very Low + Low Income Units under the Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)
- (d) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
- (e) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)
- (f) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Capacity Adjustment (Table 3d)
- (g) Estimated Existing Plan Housing Capacity at 20+ du/ac





BOARD POLICY No. **033**

IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT FUNDING INCENTIVES

Purpose

Board Policy No. 033 sets forth specific provisions regarding the allocation by SANDAG of discretionary funding to local agency projects, e.g., the Smart Growth Incentive Program and Active Transportation Grant Program, in relation to local jurisdiction housing element compliance and factors related to lower income housing.

This policy shall be reviewed and evaluated annually or as necessary to determine if amendments are needed. Issues to be considered during the review include but are not limited to the relationship between the Regional Housing Needs Assessment (RHNA) allocation and achievement of SANDAG smart growth goals and new or changed funding sources.

Board Policy No. 033 was initially approved by the SANDAG Board in April 2006, following the adoption of the RHNA for the fourth housing element cycle. The policy was first amended in November 2008. The second set of amendments to Board Policy No. 033 (January 2012) was undertaken following the adoption of the RHNA for the fifth housing element cycle, which occurred on October 28, 2011.

1. "Discretionary funding allocated to local agency projects by SANDAG" shall be defined as: those funds allocated by SANDAG through a competitive process to local jurisdictions only (i.e., cities or the County). These funds are listed in Table 1 (Exhibit 1) and include the *TransNet* Smart Growth Incentive Program and Active Transportation Grant Program (formerly known as the Transportation Development Act (TDA) Non-motorized Program, and *TransNet* Bicycle Program).
2. The following funds are not subject to the provisions of Board Policy No. 033:
 - 2.1 Formula funds allocated by population or number of miles because they are not allocated on a competitive basis.
 - 2.2 Discretionary funds allocated to Caltrans, the two transit agencies (Metropolitan Transit System and North County Transit District), or SANDAG as they are not considered local jurisdictions.
 - 2.3 Funds allocated directly by Caltrans to local jurisdictions because SANDAG is not involved in their allocation.
 - 2.4 Funds that can be allocated to entities other than local jurisdictions (e.g., *TransNet* Environmental Mitigation Program Regional Habitat Conservation Fund and the Senior Transportation Mini-grant Program).

Table 2 (Exhibit 2) provides a more detailed list of funding sources/programs that are not subject to Board Policy No. 033.

3. As new funding sources become available, the Regional Planning Committee (RPC) shall review and make a recommendation to the Board of Directors if these new funding sources should be subject to Board Policy No. 033.
4. To be eligible to apply for future discretionary funding (see examples in Table 1) allocated by SANDAG to local jurisdiction projects, local jurisdictions shall meet the following thresholds:
 - 4.1 Housing Element Compliance: In order to qualify for points under Board Policy No. 033, a jurisdiction must have an adopted Housing Element found to be in compliance by the California Department of Housing and Community Development (HCD) or its equivalent at the time of the funding program's application deadline. No Board Policy No. 033 points will be awarded to projects in jurisdictions that have not received a letter of compliance from HCD prior to the funding program's application deadline. A court-upheld Housing Element qualifies a jurisdiction to receive Board Policy No. 033 points.
 - 4.2 Annual Housing Element Progress Reports: Jurisdictions shall be required to submit an annual report with the information described below in order to be eligible for funding programs for the following calendar year. This annual report shall include the same information that HCD requests in the Annual Housing Element Progress reports required by housing element law, as well as the information described below, and shall be submitted to SANDAG by the deadline in state law, which is April 1 of each year. SANDAG will prepare a report with this information for review by the Regional Planning Technical Working Group, Regional Housing Working Group, and Regional Planning Committee each year. Funding applications subject to this Policy shall be evaluated based on the annual report for the preceding year that was submitted to SANDAG and HCD.
 - 4.3 The annual report shall provide information regarding the number of building permits issued for new residential construction by income category (very low, low, moderate, and above moderate) using the forms provided by HCD for its Annual Housing Element Progress Report. If the report is submitted for the first time in years two, three, four, or five of the housing element cycle, it shall include the total number of building permits issued for new residential construction by income category during each year of the housing element cycle (including the two and a half years preceding the housing element due date). The annual report also shall indicate how many acquired/rehabilitated/deed restricted units were permitted and how many "at risk" units were preserved during each year.
5. Board Policy No. 033 ties the allocation of funding to four criteria related to each local jurisdiction's efforts to plan for and produce lower income housing through the award of incentive points (a minimum of 25 points out of 100, or 25 percent of the total points in a funding program). Each criterion is assigned a value of one-fourth of the total points. The four criteria are: (1) Greater RHNA Share Taken, (2) Regional Share of Cumulative Total of Lower Income Units Produced, (3) Total Number of Affordable Housing Units, and (4) Percent of Lower Income Households.
 - 5.1 The Scoring Criteria in Exhibit 3 describes in detail how the incentive points are calculated for each of the four criteria.

- Exhibits: 1. Table 1, Discretionary Funding Programs Subject to Board Policy No. 033
(Local Jurisdiction Projects)
2. Table 2, Funding Programs Not Subject to Board Policy No. 033
 3. Scoring Criteria Concerning Calculation of Board Policy No. 033 Incentive Points

Adopted April 2006

Amended November 2008

Amended January 2012

TABLE 1 DISCRETIONARY FUNDING PROGRAMS SUBJECT TO BOARD POLICY NO. 033 (LOCAL JURISDICTION PROJECTS)		
Funding programs	Total Funding	Timeframe Available
Current		
Federal		
• Transportation Enhancements (TE) Program	TBD	TBD
State		
• Transportation Development Act (TDA) Article 3-Non-motorized Program	TBD	TBD
Local		
• <i>TransNet</i> Bicycle, Pedestrian and Neighborhood Safety Program	\$280 M*	2009 to 2048
• <i>TransNet</i> Smart Growth Incentive Program	\$285 M*	

*In 2002 dollars

TABLE 2 FUNDING PROGRAMS <u>NOT</u> SUBJECT TO BOARD POLICY NO. 033	
Funding Programs	
Federal ¹	<ul style="list-style-type: none"> • Regional Surface Transportation Program (RSTP)² • Congestion Mitigation & Air Quality (CMAQ)² • Transportation Enhancement (TE) Program² • Federal Transit Administration (FTA) Urbanized Area Formula Program (Section 5307) • FTA Fixed Guideway Modernization Program (Section 5309 Rail Mod) • FTA Section 5310 Elderly & Disabled Program • FTA New Freedom Program • FTA Job Access and Reverse Commute (JARC) Program
State ²	<ul style="list-style-type: none"> • State Transportation Improvement Program (STIP) – Regional Improvement Program (RIP)² • STIP – Interregional Improvement Program (IIP) • State Highway Operation and Protection Program (SHOPP) • TDA Article 4 – General Public Transit Services (Fixed Transit Route Services) • TDA Article 4.5 – Community Transit Service (Accessible Service for the Disabled) • TDA Article 8 – Special Provisions (Express Bus and Ferry Services) • TDA Planning and Administration • State Transit Assistance (STA)
Local	<ul style="list-style-type: none"> • <i>TransNet</i> Senior Transportation Mini-grant Program • <i>TransNet</i> Congestion Relief Program – Major Transportation Corridor Improvements <ul style="list-style-type: none"> ○ Highway & transit capital projects ○ Operating support for bus rapid transit (BRT) & rail transit capital improvements • <i>TransNet</i> Congestion Relief Program – Transit System Services Improvements & Related Programs • <i>TransNet</i> Congestion Relief Program – Local System Improvements & Related Programs <ul style="list-style-type: none"> ○ Local Street & Road Program • Environmental Mitigation Program (EMP)² • <i>TransNet</i> Administration and Independent Taxpayer Oversight Committee (ITOC)

¹ There are a variety of federal and state discretionary funding programs allocated directly by Caltrans that provide funding to local jurisdictions (e.g., Highway Bridge Repair & Replacement (HBRR), Safe Routes to School, etc.) Because SANDAG does not have decision-making authority over these funding programs, they would not be subject to the Board Policy No. 033.

² With the exception of the EMP funds, these funds (STIP-RIP, RSTP, CMAQ, TE) are being used to match the *TransNet* Early Action Program (EAP) and other high-priority regional projects. If, however, some portion of these funds were allocated by the SANDAG Board of Directors to local jurisdictions through a competitive process, they would be subject to Board Policy No. 033.

SCORING CRITERIA
Concerning Calculation of Board Policy No. 033 Incentive Points

The following four criteria, weighted equally, will be used to calculate the incentive points (25 percent of the total points) for each program subject to Board Policy No. 033.

1. Greater RHNA Share Taken: Jurisdictions with an assigned Lower Income RHNA percentage that is higher than the regional average of lower income households shall eligible to receive these points using the following percentages.
 - Jurisdictions at or above 39.6 percent (the regional average) shall be eligible for the total number of points for this criterion
 - Jurisdictions below 39.6 percent shall not be eligible for any points for this criterion
2. Regional Share of Cumulative Total of Lower-Income* Units Produced: Jurisdictions shall be eligible to receive up to one-fourth of the total Board Policy No. 033 points awarded based on each jurisdiction's share of the total number of lower-income units produced in the region over the most recent five years using the following percentages:
 - 0 percent share or no units produced (0 points)
 - >0 – 5 percent (1/3 of the points)
 - >5 – 10 percent (2/3 of the points)
 - greater than 10 percent (the total number of points available for this criterion)

Units that are acquired/rehabilitated and deed restricted at affordable levels for lower income households or "at risk" units that are preserved for a period of 30 years or longer shall be included for the purposes of the above calculation at full credit (i.e., one unit each).

*Units will be counted that are deed restricted to lower income households at affordable prices as defined in the instructions for the HCD Annual Housing Element Progress Report. This number will be taken from the "Deed Restricted" rows in HCD Annual Housing Element Progress Report Table B.

3. Total Number of Affordable Housing Units: This criterion will be based on the actual number of Lower Income Housing Units** in a jurisdiction as a percentage of the total number of housing units in a jurisdiction. Jurisdictions shall be eligible to receive up to one-fourth of the total Board Policy No. 033 points for this criterion using the following percentages:
 - >0 – 3 percent (1/4 of the points)
 - >3 – 6 percent (1/2 of the points)
 - >6 – 10 percent (3/4 of the points)
 - Greater than 10 percent (the total number of points available for this criterion)

**This number will be taken from the most current version of the Affordable Housing Inventory as updated by the San Diego Housing Federation, and it will be provided to each local jurisdiction to review for accuracy.

4. Percent of Lower-Income Households: Jurisdictions shall be eligible to receive up to one-fourth of the total Board Policy No. 033 points for this criterion based on the percent of lower-income households residing in each jurisdiction (based on the most recent American Community Survey data) using the following percentages:
- 0 – 40 percent lower-income households (1/3 of the points)
 - >40 – 50 percent lower-income households (2/3 of the points)
 - >50 percent lower income households (the total number of points available for this criterion)



Regional Housing Needs Assessment Plan

Fifth Housing Element Cycle
Planning for Housing in the San Diego Region

2010 - 2020



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