

***San Joaquin
County***

Adopted August 28, 2008

**RHNA Period of 2007 ~
2014**

**REGIONAL HOUSING NEEDS ALLOCATION
(RHNA)**



SAN JOAQUIN

COUNCIL OF GOVERNMENTS



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REGIONAL HOUSING NEEDS ALLOCATION PLAN

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RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS

R-09-05

**ADOPTION OF THE 2007-14 REGIONAL HOUSING NEEDS
ALLOCATION PLAN FOR SAN JOAQUIN COUNTY**

WHEREAS, Section 65584 of the California Government Code requires that the California Department of Housing and Community Development determine housing unit needs for the State on a periodic basis and that Councils of Government allocate the needed housing units to cities and unincorporated areas within their regions; and,

WHEREAS, the California Department of Housing and Community Development has determined that 38,220 additional housing units are needed in San Joaquin County for the time period 2007-14; and,

WHEREAS, the San Joaquin Council of Governments is the officially designated Council of Government for San Joaquin County and is responsible for allocating said housing needs to the cities and county unincorporated area in its region; and,

WHEREAS, the San Joaquin Council of Governments has worked in cooperation with its member agencies, housing interest groups, and the California Department of Housing and Community Development to allocate the housing need determination to the cities and the county unincorporated area in its region; and,

WHEREAS, the San Joaquin Council of Governments has solicited public involvement in the planning process at the SJCOG Board meetings, partner agency staff, and the public through a duly noticed public hearing on April 10, 2008 to allow and encourage all interested parties to review and comment on the draft regional housing needs allocation prior to adoption by the San Joaquin Council of Governments; and,

WHEREAS, a public hearing was held on August 28, 2008 prior to the Board of Director's considering adopting the Regional Housing Needs Allocation Plan; and,

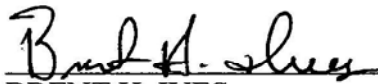
NOW, THEREFORE, BE IT RESOLVED that the San Joaquin Council of Governments does hereby adopt the Regional Housing Needs Allocation Plan 2007-14 for San Joaquin County.

PASSED AND ADOPTED this 28th day of August 2008, by the following vote of the Board of the San Joaquin Council of Governments.

AYES: Mayor Chavez, City of Stockton; Councilman Chapman, City of Stockton; Mayor Pro Tem Hansen, City of Lodi; Mayor Pro Tem Harris, City of Manteca; Mayor Ives, City of Tracy; Supervisor Mow, San Joaquin County; Mayor Sayles, City of Lathrop.

NOES: Mayor Haskin, City of Escalon; Vice Mayor Winn, City of Ripon.

ABSENT: Councilman Bestolarides, City of Stockton; Supervisor Ornellas, San Joaquin County; Supervisor Vogel, San Joaquin County.



BRENT H. IVES

Chairman

EXECUTIVE SUMMARY

Preparation of the Regional Housing Needs Allocation (RHNA) is mandated by California government code section 65584. The law requires that the California Department of Housing and Community Development (HCD) project housing construction needs at the county level. HCD utilizes population and employment projections from the San Joaquin Council of Government's (SJCOG) Regional Transportation Plan and the Department of Finance's most recent projections as the basis for their projections. SJCOG is mandated to allocate the housing needs prepared by HCD to the unincorporated area and municipalities within the county by income category. For this cycle, the allocation covers the period from January 2007 through June 2014. The last time a housing needs allocation was adopted by the SJCOG Board was in 2002 which covered the planning period of calendar years 2001-2007. This is the fourth RHNA for the region of which the first one occurred during the 1980s.

The law requires, as the initial step in the RHNA process, that HCD project housing unit needs at the regional level for the 2007-2014 time period. To accomplish this, HCD utilized population and employment projections from the SJCOG Regional Transportation Plan (RTP) and the most recent projections (in this case, July 2007) by the California Department of Finance (DOF) as the basis of their housing need determination for San Joaquin County region. In addition, HCD uses the most recent decennial Census data to distribute housing units among the median family income levels of very low, low, moderate, and above moderate.

SJCOG's initial regional allocation from HCD was 39,071. This was eventually reduced to 38,220 when HCD included a factor in the formula recognizing the historic housing foreclosure rate in San Joaquin County. The final regional allocation by family income category was received by SJCOG on August 31, 2007. The Regional Housing Need Determination for the region for the period of January 2007 through June 30, 2014 is as follows:

<i>Income Category</i>	<i>Housing Unit Need</i>	<i>Percent</i>
<i>Very Low</i>	9,314	24%
<i>Low</i>	6,032	16%
<i>Moderate</i>	6,972	18%
<i>Above Moderate</i>	15,902	42%
<i>TOTAL</i>	38,220	100%

California Department of Housing and Community Development
2007-2014 Regional Housing Need Determination
San Joaquin County

SJCOG is mandated to develop a methodology to distribute the regional allocation of 38,220 housing units to the incorporated cities and unincorporated area within the San Joaquin region. In addition, SJCOG must maintain these family income percentages and the corresponding number of units on a countywide basis as it allocates units to each of the eight (8) local jurisdictions. Based on the most recent federal census, this allocation was distributed within the following household income categories for each jurisdiction:

Very Low:	Income not exceeding 50 % median family income in the county
Low:	Income between 50% and 80% of median family income
Moderate:	Income between 80% and 120% of median family income
Above Moderate:	Income above 120% of median family income

The housing units to be allocated as part of SJCOG’s final RHNA Plan are not a forecast of building or housing permits, nor are local agencies responsible for constructing housing. The housing unit numbers HCD submits to SJCOG are “targets” and are not meant to match, and often exceed, anticipated growth in housing units. Furthermore, state law *does not* allow the RHNA process to take into consideration any local constraints that may prevent jurisdictions from receiving a “fair share” allocation of housing units. These constraints could include local growth control ordinances and sewer and water infrastructure capacity. The statute also requires that the allocation not perpetuate the concentration of low income housing within any jurisdiction in the region.

An advisory committee consisting of members from local jurisdictions and partnering agencies was formed and began meeting in November 2007 to provide guidance and expertise in the development of the RHNA methodology. The committee reviewed and discussed different methodology approaches as well as reviewed the elements in state statute regarding opportunities and constraints to development of additional housing in each member jurisdiction. A proposed draft RHNA methodology went out for public review and comment on February 6, 2008 that was based on the same methodology used for the previous RHNA. The mandated 60-day review period technically closed on April 9, 2008.

Based on comments received, the RHNA Methodology was modified to use individualized jobs and housing weights in the formula. After a minor proportional adjustment to the allocation in order to meet the sum of the regional allocation by family income category, the allocation for each jurisdiction by family income category resulted as follows:

Year 2007 - 2014 RHNA by Income Category

Jurisdiction Name	Family Income Categories				TOTALS
	Very Low	Low	Moderate	Above Moderate	
Escalon	112	72	87	224	494
Lathrop	247	186	250	643	1,326
Lodi	971	650	716	1,555	3,891
Manteca	850	633	808	1,762	4,054
Ripon	183	131	166	471	951
Stockton	4,562	2,742	2,998	6,238	16,540
Tracy	907	632	813	2,535	4,888
SJ County	1,481	986	1,134	2,474	6,075
Total	9,314	6,032	6,972	15,902	38,220

The final RHNA Methodology was adopted by resolution (R-09-05) by the SJCOG Board of Directors on August 28, 2008 following a public hearing. Immediately following the Board’s action, the adopted RHNA was submitted to HCD and all jurisdictions were notified of the final action and the requirement to incorporate the allocation into an updated general plan housing element.

INTRODUCTION and BACKGROUND

Preparation of the Regional Housing Needs Allocation (RHNA) is mandated by California Government Code section 65584. The law requires that the California Department of Housing and Community Development (HCD) project housing construction needs at the county level. HCD utilizes population and employment projections from the San Joaquin Council of Government's (SJCOG) Regional Transportation Plan and the Department of Finance's most recent projections as the basis for their projections. SJCOG is mandated to allocate the housing needs prepared by HCD to the unincorporated area and municipalities within the county by income category. Refer to **Attachment A: California Government Code sections 65584 through 65584.7.**

This is the fourth RHNA for the region of which the first one occurred during the 1980s. The RHNA period covering 1990-1997 and was called the Fair Share Housing Plan. Changes in the law in the mid-1990s exempted COGs from preparing an allocation for the mid-1990s cycle. The law was amended to establish a staggered four year preparation cycle for regions around the state, and a new due date per region. Six of the San Joaquin Valley counties are in the current cycle. Fresno and Kern counties are on different RHNA cycles.

For the period of 2001-2008 RHNA, the HCD regional allocation was 39,571 dwelling units of which SJCOG prepared an allocation using the "low" end of the housing unit range. The methodology used was adapted from the nine-county Association of Bay Area Governments allocation process. The goals of the methodology are to promote a jobs\housing balance by equal weighting the allocation to jurisdictions based on where employment growth is expected to occur in the county and where household growth is expected to occur. The methodology also required each jurisdiction to move 50% of the way towards the regional average of each household income category to avoid perpetuating an over-concentration of low income units in any one jurisdiction. Minor manual adjustments are made to the local allocations resulting from the formula methodology to exactly match the countywide household income percentages and units distributed by HCD.

PROJECTED HOUSING NEED for the SAN JOAQUIN COUNTY REGION

For this cycle of January 2007 through June 2014, SJCOG was notified on August 31, 2000 that the county-wide allocation is 38,220. Refer to **Attachment B: HCD Letter dated August 31, 2007** with county-wide total by income category and explanation of the Regional Housing Needs Determination.

HCD distributed the housing units among the four household income categories using historic rates of household formation. The household income category definitions that units are distributed include:

Very Low:	Income not exceeding 50 % median family income in the county
Low:	Income between 50% and 80% of median family income
Moderate:	Income between 80% and 120% of median family income
Above Moderate:	Income above 120% of median family income

Data from the 2000 census was used by HCD for the regional housing distribution across the income categories. For example, census data shows that 24% of the households in San Joaquin County had very low incomes based on a regional household income of \$41,282. Therefore 24% of the housing units allocated for the period must be accessible to households in this income category.

Based on this approach, the regional RHNA for the period of January 2007 through June 30, 2014 across the income categories is as follows:

Regional Distribution by Family Income Category		
<i>Income Category</i>	<i>Housing Unit Need</i>	<i>Percent</i>
<i>Very Low</i>	9,314	24%
<i>Low</i>	6,032	16%
<i>Moderate</i>	6,972	18%
<i>Above Moderate</i>	15,902	42%
<i>TOTAL</i>	38,220	100%

California Department of Housing and Community Development
2007-2014 Regional Housing Need Determination
San Joaquin County

SJCOG must maintain these family income percentages and the corresponding number of units on a countywide basis as it allocates units to each of the eight (8) local jurisdictions.

RHNA PREPERATION SCHEDULE

SCHEDULE of DELIVERABLES

Preparation of Methodology	Dec. 2007 – Jan 2008
<ul style="list-style-type: none"> • RHNA Advisory Committee • Outreach to Local Jurisdictions <ul style="list-style-type: none"> ○ Request Data/Develop Methodology • Issue Proposed Methodology 	11/30/07 12/01/07 – 12/31/07 02/01/08
Review of Methodology	Jan. 2008 – Apr 2008
<ul style="list-style-type: none"> • Public Comment Period (60 Days) • Public Hearing about Proposed Methodology • Review of Final Methodology by Advisory Committee • Present Final Methodology to SJCOG Board for Adoption 	02/01/08 – 04/09/08 04/10/08 04/07/08 – 04/17/08 04/24/08
Develop Draft RHNA Plan	April 2008 – July 2008
<ul style="list-style-type: none"> • SJCOG issues Draft Allocation Numbers 	04/25/08
Appeals Process (60 days)	April 2008 – July 2008
<ul style="list-style-type: none"> • Local Jurisdictions may request revisions • SJCOG responds to revision requests • Public Comment about appeals • SJCOG decides appeals and proposes Final RHNA Plan 	04/28/08 – 06/27/08 04/28/08 – 06/27/08 04/28/08 – 06/27/08 06/30/08 – 07/11/08
Preparation and Adoption of Final RHNA Plan	July 2008 – Aug 2008
<ul style="list-style-type: none"> • SJCOG issues Final RHNA Plan • Public Hearing and Adoption by SJCOG Board of Directors • Submit Adopted RHNA Plan to HCD 	07/15/08 08/28/08 08/31/08

***Due Date for Jurisdictions to Update their Housing Needs Element** **August 31, 2009**

RHNA ADVISORY COMMITTEE

An advisory committee consisting of the Community Development Department Directors and/or their designee from each local jurisdiction was formed and began meeting in November 2007 to provide guidance and expertise in the development of the RHNA methodology. The committee reviewed and discussed different approaches as well as reviewed the elements in state statute regarding opportunities and constraints to development of additional housing in each member jurisdiction.

RHNA 60-DAY REVIEW PERIOD

A proposed draft RHNA methodology went out for public review and comment on February 6, 2008 that was based on the same methodology used for the previous RHNA. The mandated 60-day review period technically closed on April 9, 2008. Refer to **Attachment C: Noticed Public Hearing**.

In response to the draft methodology, SJCOG received the following three comments:

- 1) San Joaquin County (SJC) expressed concerns regarding the reliability of the jobs data set derived from the Regional Transportation Plan (RTP). SJC requested that SJCOG develop a different data set based on recent information;
- 2) The City of Lodi also expressed concerns about the RTP jobs data set as well as the use of equal weights for each jurisdiction regarding the share of jobs and housing growth. Attached is the letter SJCOG received from Lodi's City Manager;
- 3) The City of Lathrop requested clarification regarding the relationship of future annexations for residential development may have on the final RHNA numbers once established; and,
- 4) City of Escalon indicated that using the total average persons per household in the formula may impact the results. Ideally, the average persons per household should be adjusted to include only working persons per household in order to stay true to the relationship of housing stock supporting workers and jobs.

Responses to comments were as follows:

1. SJCOG obtained a jobs data set from EDD which provided more detail regarding the number of occupied jobs reported by zip code. The data was used to establish a 2007 jobs baseline which was extrapolated out to the year 2014. This along with DOF housing data was used to establish individualized share jobs to housing weights for all incorporated cities and the unincorporated area.
2. Federal Census data was used to establish the average working adults per dwelling unit to better define the individualized job to housing weights.
3. The relationship between the unincorporated area and the incorporated areas regarding RHNA and future annexations are addressed in section 65584.07 (d) of Government Code.

There is no impact on the RHNA numbers as part of an annexation if:

- The annexed land is subject to an existing development agreement prior to January 1, 2008, the revised housing determination shall be based on the numbers of units allowed by the development agreement.
- The annexed land was within the city's sphere of influence when the RHNA was allocated by SJCOG, there is no impact on the initial determination.
- SJCOG or HCD certifies that the annexed land was fully incorporated into the methodology for the purposes of determining the city's sphere of influence of the regional housing need; and,
- The area covered by the annexation is the same as the area that was incorporated into the methodology.

There is an impact on the RHNA numbers as part of an annexation if:

- A city annexes unincorporated land, the city and the County may reach a mutually acceptable agreement on the RHNA numbers each party is responsible for. This needs to be reported to SJCOG. If the city and the County cannot reach a mutually acceptable agreement, they have an option to defer to SJCOG for assistance to reach an agreement.

RHNA METHODOLOGY for the SAN JOAQUIN COUNTY REGION

SJCOG must maintain these family income percentages and the corresponding number of units on a countywide basis as it allocates units to each of the eight (8) local jurisdictions. These calculations to arrive at the percentages each jurisdiction can be found in **Attachment D: Household per Income Category, 2000**. The summary of results is as follows:

Family Income Category Percentages by Jurisdiction

Family Income Category (per household)	Quantified Income Categories for SJ County (per household)	Percentage of Households Within Each Category	Percentage of Family Income Distribution (by jurisdiction)							
			Escalon	Lathrop	Lodi	Manteca	Ripon	Stockton	Tracy	SJ County
Very Low	Less than \$20,641 (< 50% of median income)	24.32%	20.31%	12.22%	24.70%	16.84%	13.30%	29.92%	12.02%	23.58%
Low	\$20,642 - \$33,026 (50% to 80% of median income)	15.71%	12.75%	11.82%	17.17%	15.00%	11.32%	16.96%	9.67%	16.24%
Moderate	\$33,027 - \$49,538 (80% to 120% of median income)	18.31%	16.78%	19.26%	18.52%	21.57%	16.57%	18.03%	14.89%	19.07%
Above Moderate	Greater than \$49,539 (Above 120% of median income)	41.66%	50.16%	56.70%	39.62%	46.58%	58.81%	35.09%	63.42%	41.11%

Data Source: Federal Census Bureau

The RHNA methodology involves a modification of the methodology used for the RHNA planning period of years 2001-2008. The goal of the methodology is to equitably allocate the region's aggregate RHNA number of 38,220 across jurisdictions by individualizing the regional share of job and housing growth weights for all jurisdictions. The allocation methodology formula involves the following steps:

- 1) Housing units were established by using the year ending January 1, 2000 and year ending January 1, 2008 data from the State department of Finance in order to calculate an annual growth rate. Total Housing units are the DOF housing units minus group quarters dwelling units.

Refer to **Attachment E: DOF Annual Housing Ending January 1, 2000 and Annual Housing Ending January 1, 2008**. The summary of the housing unit calculation is as follows:

Year 2000 & Year 2008 Dwelling Units

Jurisdiction Name	Group Quarters	Total Housing Units	Year 2000 Housing Units	Group Quarters	Total Housing Units	Year 2008 Housing Units
Escalon	26	2,132	2,106	26	2,504	2,478
Lathrop	10	2,991	2,981	10	4,917	4,907
Lodi	1,024	21,381	20,357	1,064	23,353	22,289
Manteca	477	16,936	16,459	477	22,485	22,008
Ripon	111	3,448	3,337	111	4,987	4,876
Stockton	5,316	82,042	76,726	4,560	96,553	91,993
Tracy	345	18,087	17,742	345	25,478	25,133
SJ County	11,462	42,143	30,681	9,965	47,062	37,097

Data Source: State Department of Finance

- 2) The annual housing growth rate is applied to the 2008 housing unit data set and extrapolated to the year 2014 by individual jurisdiction. The results of this exercise are as follows:

Housing Dwelling Unit (DU) Growth Rate / Year 2014 DU Projection

Jurisdiction Name	Yr. 2000 DUs	Yr. 2008 DUs	Growth (2000-2008)	Growth (2000-2008)	Annualized Growth Rate (2000-2008)	Yr. 2009 DU	Yr. 2010 DU	Yr. 2011 DU	Yr. 2012 DU	Yr. 2013 DU	Yr. 2014 DU
Escalon	2,106	2,478	372	15.01%	1.67%	2,519	2,561	2,604	2,648	2,692	2,737
Lathrop	2,981	4,907	1,926	39.25%	4.36%	5,121	5,344	5,577	5,821	6,074	6,339
Lodi	20,357	22,289	1,932	8.67%	0.96%	23,261	23,485	23,711	23,940	24,170	24,403
Manteca	16,459	22,008	5,549	25.21%	2.80%	22,968	23,611	24,273	24,953	25,652	26,370
Ripon	3,337	4,876	1,539	31.56%	3.51%	5,089	5,267	5,452	5,643	5,841	6,046
Stockton	76,726	91,993	15,267	16.60%	1.84%	96,005	97,775	99,578	101,414	103,284	105,189
Tracy	17,742	25,133	7,391	29.41%	3.27%	26,229	27,086	27,971	28,885	29,829	30,804
SJ County	30,681	37,097	6,416	17.30%	1.92%	38,715	39,459	40,217	40,990	41,778	42,580
Regional Total	170,389	210,781	40,392	19.16%	2.13%	219,907	224,589	229,384	234,293	239,320	244,468

Data Source: State Department of Finance

- 3) The foundation for year 2007 jobs and year 2014 jobs was based on information SJCOG obtained from the State Employment Development Department (EDD) for the period of year 2000 through year 2006. This data set provided greater detail regarding actual jobs occupied by established businesses in each zip code area throughout the San Joaquin County region. Minor adjustments were made to the reported jobs occupied in zip codes that included both the incorporated city and the unincorporated area. The summary of year 2007 and year 2014 job growth is as follows:

Job Growth by Jurisdiction (Year 2007~2014)

Jurisdiction Name	2000 Annual Average Employed by Establishments	2006 Annual Average Employed by Establishments	Average Annualized Job Growth	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014
Escalon	2,899	3,411	2.14%	3,484	3,559	3,635	3,713	3,793	3,874	3,957	4,042
Lathrop	4,190	6,406	3.46%	6,543	6,684	6,827	6,973	7,123	7,276	7,432	7,591
Lodi	24,179	27,375	1.17%	27,962	28,562	29,174	29,800	30,439	31,091	31,758	32,439
Manteca	13,274	16,498	1.95%	16,852	17,213	17,582	17,959	18,344	18,738	19,140	19,550
Ripon	3,507	5,181	3.23%	5,292	5,406	5,521	5,640	5,761	5,884	6,011	6,139
Stockton	81,660	95,188	1.42%	97,229	99,314	101,444	103,619	105,841	108,110	110,429	112,797
SJC	14,848	21,456	3.08%	21,916	22,386	22,866	23,356	23,857	24,369	24,891	25,425
Tracy	19,109	25,160	2.41%	25,700	26,251	26,813	27,388	27,976	28,576	29,188	29,814
	Average Annual Growth		2.36%	204,978	209,374	213,863	218,449	223,133	227,918	232,805	237,797

Date Source: State Employment Development Department

For the 2007~2014 RHNA, SJCOG's methodology individualizes the share of job growth weights for each jurisdiction based on the year 2014 jobs to the year 2014 housing units multiplied by the average working adults per dwelling unit. The result of the calculation to establish the average working adults per DU is as follows:

Average Working Adults per Dwelling Unit (DUs)

Jurisdiction Name	Year Average Persons per Household	Persons Under Age of 18	Persons Over Age of 65	% of Under 18 Plus Over 65	% of Working Adults per DU	Average Working Adults per DU
Escalon	2.91	30.90%	12.70%	43.60%	56.40%	1.64
Lathrop	3.62	34.80%	6.00%	40.80%	59.20%	2.14
Lodi	2.73	28.20%	14.30%	42.50%	57.50%	1.57
Manteca	3.01	31.60%	9.30%	40.90%	59.10%	1.78
Ripon	3.01	32.00%	10.10%	42.10%	57.90%	1.74
Stockton	3.06	34.40%	10.20%	44.60%	55.40%	1.69
Tracy	3.24	34.40%	6.40%	40.80%	59.20%	1.92
SJ County	2.99	30.40%	11.45%	41.85%	58.15%	1.74

Data Source: Federal Census Bureau

The 2007-2014 methodology uses an individualized share of job and housing growth weight. This methodology is more sensitive to the characteristics of the individual jurisdictions in comparison with the entire region. The results to establish the share of jobs and household growth weights for each jurisdiction are as follows:

Share of Job and Housing Growth Weights by Jurisdiction

Jurisdiction Name	Yr. 2014 Jobs	Yr. 2014 DU	Average Working Adults per Household	Total Working Adults per Household	Percentage of Jobs to Working Adults per Household	Percentage of Household Growth
Escalon	4,042	2,773	1.645	4,563	88.58%	11.42%
Lathrop	7,591	6,306	2.147	13,540	56.06%	43.94%
Lodi	32,439	24,654	1.572	38,768	83.67%	16.33%
Manteca	19,550	26,583	1.782	47,374	41.27%	58.73%
Ripon	6,139	6,154	1.746	10,747	57.12%	42.88%
Stockton	112,797	107,396	1.700	182,579	61.78%	38.22%
Tracy	29,814	31,730	1.923	61,025	48.86%	51.14%
SJC	25,425	40,997	1.742	71,411	35.60%	64.40%

The estimated 2007 to 2014 household and job growth estimates and individualized share of housing and job weight data are incorporated into the RHNA formula. An example of an initial allocation by individual jurisdiction is as follows:

CITY OF TRACY							
Households 2014	-	Households 2007	=	Household Growth	Regional Household Growth	Share of Household Growth	
30,804	-	24,685	=	6,119	37,814	16.18%	
Jobs 2014	-	Jobs 2007	=	Job Growth	Regional Job Growth	Share of Job Growth	
29,814	-	25,700	=	4,114	32,819	12.54%	
Share of Job Growth	x	Job Weight Factor	+	Share of Household Growth	Household Weight Factor	HCD Regional Housing Target	Total Projected Housing Target
12.54%	x	0.4886	+	16.18%	0.5104	38,220	= 5,498
Household Income Distribution							
Income Category	2000 Household Income Percentage Jurisdiction	2000 Household Income Percentage Region	2007 Household Income Percentage Jurisdiction			Housing Unit Allocation by Category	
Very Low	12.02%	24.32%	18.17%			999	
Low	9.67%	15.71%	12.69%			698	
Moderate	14.89%	18.31%	16.60%			913	
Above Moderate	63.42%	41.66%	52.54%			2888	
TOTAL	100%	100%	100%			5,498	

The methodology includes the following steps:

- The difference of the 2007 and 2014 housing growth is established. The regional household growth is the sum of the individual household growth for all jurisdictions. The percentage share of household growth is the relationship of the jurisdictions household growth to the regional household growth.
- The difference of the 2007 and 2014 job growth is established. The regional job growth is the sum of the individual job growth for all jurisdictions. The percentage share of job growth is the relationship of the jurisdictions job growth to the regional job growth.

- The individualized share of housing and job growth percentages to the region are multiplied by the average regional share of housing and job weights. This figure is then multiplied by the HCD regional target of 38,220 in order to arrive at the final RHNA for the individual jurisdiction.
- In the above example, the RHNA of 5,498 is distributed across the household income categories based on the average of the individual jurisdiction income percentage and the regional household income percentage. These percentages are found under the “2007 Household Income Percentage Jurisdiction). The total households units by household income category are found under “Housing Unit Allocation by Category”.

Refer to **Attachment F**: RHNA Based on Individualized Share of Job and Housing Weights. The sum of the results using individualized jobs and housing weights by jurisdiction is as follows:

Initial RHNA Assumed to Percentage of Population

Jurisdiction Name	Very Low	Low	Moderate	Above Moderate	RHNA TOTAL	Percentage of RHNA Assumed	Percentage of Population	Percentage of RHNA to Population
Escalon	143	91	112	294	640	1.59%	1.04%	0.55%
Lathrop	263	198	270	707	1,438	3.57%	2.54%	1.03%
Lodi	1,159	777	871	1,921	4,728	11.73%	9.24%	2.49%
Manteca	870	649	843	1,865	4,227	10.49%	9.69%	0.80%
Ripon	213	153	197	568	1,130	2.80%	2.18%	0.62%
Stockton	4,492	2,706	3,010	6,357	16,565	41.10%	42.28%	-1.18%
Tracy	999	698	913	2,888	5,498	13.64%	11.89%	1.75%
SJ County	1,455	970	1,135	2,514	6,074	15.07%	21.13%	-6.06%
Total	9,593	6,242	7,351	17,114	40,299	100%	100%	

Note that using the individualized share of housing and job weights for each jurisdiction as opposed to using equal weights of 50% / 50% produced an allocation of 40,299 units which is an over allocation of 2,079 units. In order to equitably reduce the overage, each jurisdiction’s RHNA share was compared to their current population based on the most recent information available through the State Department of Finance. The year 2008 population estimates as of January 1, 2008 are as follows:

Percentage of Population by Jurisdiction

Jurisdiction Name	Total Population 01/01/2008	Percentage of Population
Escalon	7,131	1.04%
Lathrop	17,429	2.54%
Lodi	63,362	9.24%
Manteca	66,451	9.69%
Ripon	14,915	2.18%
Stockton	289,927	42.28%
Tracy	81,548	11.89%
SJ County	144,897	21.13%
Total Population	685,660	100.00%

Data Source: State Department of Finance

Based on the relationship of the gross RHNA assumed to the population an individual jurisdiction supports, for example, the City of Lodi with a +2.49% assumes the largest amount of RHNA relative to their population. In contrast, the City of Stockton and the San Joaquin County fall short in their initial assumed RHNA amount as compared to the population of the jurisdiction. The following steps were taken to reduce and account for the formula’s overage allocation of 2,079 housing units:

- 1) The San Joaquin County allocation amount remains constant. Including San Joaquin County in this adjustment would contradict the outcomes of using individualized share of housing and job weights as the cornerstone of the methodology. Furthermore, including the county in the adjustment would involve adding housing units to their initial allocation which would contradict state law which allows cities to assume units from the county, but not the reverse.
- 2) The urbanized cities (Lathrop, Lodi, Manteca, Stockton, Tracy) were adjusted proportionally to reduce the over allocation and to achieve the best balance between the net RHNA assumed and the population each urbanized jurisdiction supports.
- 3) The non-urbanized areas of Escalon and Ripon were adjusted equally to ultimately meet the regional target of 38,220.

The results of the Gross RHNA Adjustment are as follows:

Gross RHNA Adjustment

Jurisdiction Name	Very Low	Low	Moderate	Above Moderate	RHNA TOTAL	Percentage of RHNA Assumed	Percentage of Population	Percentage of RHNA to Population
Escalon	110	70	87	227	495	1.29%	1.04%	0.25%
Lathrop	243	183	250	654	1,330	3.48%	2.54%	0.94%
Lodi	953	639	716	1,581	3,889	10.18%	9.24%	0.94%
Manteca	835	623	809	1,790	4,058	10.62%	9.69%	0.93%
Ripon	179	129	166	479	954	2.50%	2.18%	0.32%
Stockton	4,480	2,698	3,001	6,339	16,518	43.22%	42.28%	0.94%
Tracy	891	622	814	2,576	4,903	12.83%	11.89%	0.94%
SJ County	1,455	970	1,135	2,514	6,074	15.89%	21.13%	-5.24%
Total	9,146	5,935	6,979	16,160	38,220	100%	100%	
HCD Allocations	9,314	6,032	6,972	15,902	38,220			
Difference	168	97	7	258	0			

The adjustment reached the regional housing unit target of 38,220. However, the allocations across the income categories of very low to above moderate did not support the regional totals provided by HCD. A final adjustment was made allowing the sum of the individual jurisdiction totals in each income category to match the region-wide numbers under each income category. The final RHNA adjustment involved the following steps:

- 1) Identified the amount difference for each income category to the region wide number.
- 2) Established a percentage level for each jurisdiction based on the current allocation status.
- 3) Applied the percentages to the amount (under/over) in each income category by each jurisdiction.

This exercise proportionally reallocated 264 units from the moderate and above moderate income categories and moved them into the very low and low income categories. The final adjustment across the income categories also had a minor impact on the overall total for each jurisdiction.

Refer to **Attachment G**: Final RHNA Adjustment Calculation.

The final RHNA methodology produced the following net allocation for each jurisdiction across the family income categories:

Year 2007 - 2014 RHNA by Income Category					
Jurisdiction Name	Family Income Categories				TOTALS
	Very Low	Low	Moderate	Above Moderate	
Escalon	112	72	87	224	494
Lathrop	247	186	250	643	1,326
Lodi	971	650	716	1,555	3,891
Manteca	850	633	808	1,762	4,054
Ripon	183	131	166	471	951
Stockton	4,562	2,742	2,998	6,238	16,540
Tracy	907	632	813	2,535	4,888
SJ County	1,481	986	1,134	2,474	6,075
Total	9,314	6,032	6,972	15,902	38,220

RHNA INVENTORY and ABILITY TO TARGET ADDITIONAL HOUSING

As part of the methodology, all jurisdictions were provided the opportunity to review the factors found in CA Code 65584.04 to address any opportunities and constraints to development of additional housing in each member jurisdiction. In addition, all jurisdictions were asked to indicate if they were willing to accept a higher allocation than proposed in the draft allocation. Refer to **Attachment H: RHNA Inventory**.

The assessment resulted in no modifications to the final RHNA methodology as well as no additional opportunities to assume additional housing units above the draft allocation.

FARM WORKER HOUSING NEEDS

Per the 2002 Census of Agriculture, more than seventeen hundred farms in San Joaquin County hire farm workers; 579 of these employed 10 or more workers. The data shows that 8,323 of the 30,957 farm workers in San Joaquin County were known to work more than 150 days. An additional 1,370 farm workers worked fewer than 150 days in a year, or less than about 60 percent of the year. These indicators suggest that workers on farms need housing that is not exclusively located near work on farms but that can accommodate work at other locations.

The permanent housing needs of farm workers have changed over time to be similar to any household's housing needs in terms of location. Farm worker households generally have lower-incomes and therefore need lower-priced housing. Thus, permanent housing needs of farm workers are implicitly addressed in the allocation of housing units to jurisdictions by income categories.

The Hired Farm Labor - Workers and Payroll for year 2002 is as follows:

Item	San Joaquin County
Hired farm labor	1,761
farms	30,957
workers	209,676
\$1,000 payroll	
Farms with-	
1 worker	252
farms	252
workers	289
2 workers	578
farms	292
workers	1,009
3 or 4 workers	349
farms	2,302
workers	579
5 to 9 workers	26,816
farms	
workers	
10 workers or more	
farms	
workers	
Workers by days worked:	
150 days or more	1,057
farms	8,323
workers	
Farms with-	
1 worker	278
farms	278
workers	178
2 workers.....	356
farms	234
workers	799
3 or 4 workers	191
farms	1,236
workers	176
5 to 9 workers	5,654
farms	
workers	
10 workers or more	1,370
farms	22,634
workers	
Less than 150 days	
farms	216
workers	216
Farms with-	
1 worker	210
farms	420
workers	233
2 workers.....	814
farms	287
workers	1,877
3 or 4 workers	424
farms	19,307
workers	
5 to 9 workers	
farms	
workers	
10 workers or more	
farms	
workers	
Reported only workers working	
150 days or more	391
farms	2,309
workers	41,843
\$1,000 payroll	
Reported only workers working	
less than 150 days	704
farms	5,676
workers	8,149
\$1,000 payroll	
Reported both - workers working 150	
days or more and workers	
working less than 150 days	666
farms	6,014
150 days or more, workers	16,958
less than 150 days, workers	159,684
\$1,000 payroll	
Migrant farm labor on farms with hired	
labor (see text)	525
farms	
Migrant farm labor on farms reporting only	
contract labor (see text)	118
farms	

ATTACHMENT A

California Government Code sections 65584 through 65584.7

Government Code Section 65584 ~ 65584.7.

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.

(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.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council 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:

(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, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

65584.01. (a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(c) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.

(E) Other characteristics of the composition of the projected population.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (E), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

65584.02. (a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section 65584.01:

(1) In a region in which at least one sub region has accepted delegated authority pursuant to Section 65584.03, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no sub region has accepted delegation pursuant to Section 65584.03, the region's housing need shall be determined at least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. For a housing element update due date pursuant to Section 65588 that is prior to January 2007, the department may approve a request that is submitted prior to December 31, 2004, notwithstanding the deadline in this paragraph. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance. The council of governments may include a request to extend the housing element deadline pursuant to Section 65588 to a date not to exceed two years, for the purpose of coordination with the scheduled update of a regional transportation plan pursuant to federal law. (b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted

pursuant to paragraph (1) of subdivision (a). (c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections 65584 and 65584.01.

65584.03. (a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities and a county, or counties, may form a sub regional entity for the purpose of allocation of the sub region's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of

establishing a sub region shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a sub region. A sub region formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the sub region as well as by the council of governments. All decisions of the sub region shall be approved by vote as provided for in rules adopted by the local governments comprising the sub region or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the sub regional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible sub regional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections 65584 and 65584.04. The delegate sub region and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the sub region.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate sub region. The share or shares allocated to the delegate sub region or sub regions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate sub region or sub regions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a sub region. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate sub region shall fully allocate its share of the regional housing need to local governments within its sub region. If a delegate sub region fails to complete the regional housing need allocation process among its member jurisdictions in a manner consistent with this article and with the delegation agreement between the sub region and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate sub region 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 sub region, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.

(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 sub region as applicable, as source information for the methodology developed pursuant to this 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 sub regions, and members of the public who have made a written request for the proposed methodology.

The council of governments, or delegate sub region, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed 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 sub region as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

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

(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.

(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 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 (8) 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 farm workers.

(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 sub region, 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 sub region, 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 sub region pursuant to Section 65584.05.

(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 sub region, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate sub region, as applicable, shall adopt a final regional, or sub regional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate sub region as applicable, and to the department.

65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate sub region, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or sub region, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and sub regions, if any, within the region the entire regional housing need determined pursuant to Section 65584.01 or within sub regions, as applicable, the sub region's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate sub region, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate sub region, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate sub region, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government, may appeal its draft allocation based upon either or both of the following criteria:

(1) The council of governments or delegate sub region, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate sub region, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04.

(e) The council of governments or delegate sub region, as applicable, shall conduct public hearings to hear all appeals within 60 days of the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days from the date of the notification. Before taking action on an appeal, the council of governments or delegate sub region, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate sub region, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate sub region, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate sub region, as applicable, shall issue a proposed final allocation within 45 days of the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate sub region, as applicable, shall adjust allocations to local governments based upon the results of the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the

sub region's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate sub region, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate sub region, as applicable, shall develop a

methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the sub regional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days of the issuance of the proposed final allocation plan by the council of governments and each delegate sub region, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. Within 60 days of adoption by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

65584.06. (a) For cities and counties without a council of governments, the department shall determine and distribute the existing and projected housing need, in accordance with Section 65584 and this section. If the department determines that a county or counties, supported by a resolution adopted by the board or boards of supervisors, and a majority of cities within the county or counties representing a majority of the population of the county or counties, possess the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the distribution of the regional housing need, the

department shall delegate this responsibility to the cities and county or counties.

(b) The distribution of regional housing need shall, based upon available data and in consultation with the cities and counties, take into consideration market demand for housing, the distribution of household growth within the county assumed in the regional transportation plan where applicable, employment opportunities and commuting patterns, the availability of suitable sites and public facilities, agreements between a county and cities in a county to direct growth toward incorporated areas of the county, or other considerations as may be requested by the affected cities or counties and agreed to by the department. As part of the allocation of the regional housing need, the department shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. Consideration of suitable housing sites or land suitable for urban development is not limited to existing zoning ordinances and land use restrictions of a locality, but shall include consideration of 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 Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(c) Within 90 days following the department's determination of a draft distribution of the regional housing need to the cities and the county, a city or county may propose to revise the determination of its share of the regional housing need in accordance with criteria set forth in the draft distribution. The proposed revised share shall be based upon comparable data available for all affected jurisdictions, and accepted planning methodology, and shall be supported by adequate documentation.

(d) (1) Within 60 days after the end of the 90-day time period for the revision by the cities or county, the department shall accept the proposed revision, modify its earlier determination, or indicate why the proposed revision is inconsistent with the regional housing need.

(2) If the department does not accept the proposed revision, then, within 30 days, the city or county may request a public hearing to review the determination.

(3) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(4) The date of the hearing shall be at least 10 but not more than 15 days from the date of the notification.

(5) Before making its final determination, the department shall consider all comments received and shall include a written response to each request for revision received from a city or county.

(e) If the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the department grants a revised allocation pursuant to subdivision

(d), the department shall ensure that the total regional housing need is maintained. The department's final determination shall be in writing and shall include information explaining how its action is consistent with this section. If the department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share that was originally determined by the department. The department, within its final determination, may adjust the allocation of a city or county that was not the subject of a request for revision of the draft distribution.

(f) The department shall issue a final regional housing need allocation for all cities and counties within 45 days of the completion of the local review period.

65584.07. (a) During the period between adoption of a final regional housing needs allocation until the due date of the housing element update under Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b) (1) The county and cities that have executed transfers of regional housing needs under this section shall amend their housing elements and submit them to the department for review under Section 65585.

(2) All materials and data used to justify any revision shall be made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former subdivision (c) of Section 65584 that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c) (1) If an incorporation of a new city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under Section 65584, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the council of governments, or the department for areas with no council of governments, to consider

the facts, data, and methodology presented by both parties and make the revised determination.

(2) The revised determination shall be made within six months after receipt of the written request, based upon the methodology adopted under Section 65584.04, and shall reallocate a portion of the affected county's share of regional housing needs to the new city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

(d) (1) If an annexation of unincorporated land to a city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under Section 65584, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the

council of governments, or the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and make the revised determination.

(2) (A) Except as provided under subparagraph (B), the revised determination shall be made within six months after receipt of the written request, based upon the methodology adopted under Section 65584.04, and shall reallocate a portion of the affected county's share of regional housing needs, if appropriate, to the annexing city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

(B) If the annexed land is subject to a development agreement authorized under subdivision (b) of Section 65865 that was entered into by a city and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement.

(3) A revised determination shall not be made if all of the following apply:

(A) The annexed land was within the city's sphere of influence when the regional housing need was allocated by the council of governments under Section 65584.05 or by the department under Section 65584.06.

(B) The council of governments or the department certifies that the annexed land was fully incorporated into the methodology for purposes of determining the city's share of the regional housing need.

(C) The area covered by the annexation is the same as the area that was incorporated into the methodology.

65584.08.(a) For the purposes of this section the "association" is the Southern California Association of Governments.

(b) For the fourth revision of the housing element pursuant to Section 65588 within the region of the association, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(c) The existing and projected housing need for the region shall be determined in the following manner:

(1) The association shall develop an integrated long-term growth forecast by five-year increments. The growth forecast is not a regional housing needs allocation plan.

(2) The forecast shall consist of the following three major variables by geographic area throughout the region:

(A) Population.

(B) Employment.

(C) Households.

(3) The association shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates, by weighing vacancy rates of for-sale and for-rent units.

(4) The association shall transmit the forecast to the department with the following variables:

(A) Population.

(B) Employment.

(C) Households.

(D) Housing units.

(E) Household formation ratios.

(F) Replacement rates.

(G) Owner and renter vacancy rates.

(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) of, and with subdivision (d) of, Section 65584.01.

(d) The association shall conduct a public workshop for the purpose of surveying its member jurisdictions pursuant to subdivision (b) of Section 65584.04. Not less than 30 days prior to the date of commencement of the public workshop, the association shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for consideration by the association and incorporation into the discussion of the methodology at the workshop.

(e) The association shall delegate development of the housing need allocation plan to the sub regional entities, if the association and the sub regional entities agree in writing to that delegation and the association ensures that the total regional housing need, by income category, is maintained.

(f) The association shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the methodology, including the factors, by which housing needs are proposed to be allocated to sub regions, or, in the absence of a sub region, to individual jurisdictions. The workshops shall also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the association on local conditions and factors. Following the workshops, and concurrent with the adoption of its draft housing allocation plan, the association shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.

(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.

(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(g) Following the adoption of the draft housing allocation plan, a local government may request from the association or the delegate sub region, as applicable, a revision of its share of the regional housing need in accordance with the factors described in subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (d). The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and shall be supported by adequate documentation. The association or delegate sub region, as applicable, shall establish a timeline for accepting and reviewing revision requests. However, revision requests shall not be accepted after the deadline for filing an appeal pursuant to subdivision (i). The association or delegate sub region shall respond to the request in writing no later than the close of the appeal process, and shall describe the rationale for its decision.

(h) Both the methodology and allocation process shall consider the factors listed under subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The association shall complete the final housing need allocation plan on or before June 30, 2007. It is the intent of the Legislature that the housing element update deadlines, as required under Section 65588, and as modified by the department under paragraph (2) of subdivision (a) of Section 65584.02, will not be extended. The association shall submit a report to the Legislature on or before March 30, 2007, describing the progress it has made in completing the final need allocation plan.

(i) A city or county may file one appeal of its draft allocation to the association, or a delegate sub region, pursuant to subdivision (e) of Section 65584.05, based upon any of the following criteria:

(1) The association or delegate sub region, as applicable, failed to adequately consider the information submitted pursuant to subdivision (d), or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The association or delegate sub region, as applicable, failed to determine the local government's share of the regional housing need in accordance with the information described in, and the methodology established pursuant to subdivision (f).

(j) A city or county shall not be allowed to file more than one appeal under subdivision (i), and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(k) The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

(l) The final allocation plan adopted by the association shall ensure that the total regional housing need, by income category, as determined under subdivision (c), is maintained. The resolution adopted by the association approving the final housing need allocation plan shall show how the plan:

(1) Is consistent with the objectives of this section and article.

(2) Is consistent with the pending update of the regional transportation plan.

(3) Takes into account the information provided to the association by its member jurisdictions and members of the public pursuant to subdivisions (d) and (f).

(m) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

65584.09. (a) For housing elements due pursuant to Section 65588 on or after January 1, 2006, if a city or county in the prior planning period failed to identify or make available adequate sites to accommodate that portion of the regional housing need allocated pursuant to Section 65584, then the city or county shall, within the first year of the planning period of the new housing element, zone or rezone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

(b) The requirements under subdivision (a) shall be in addition to any zoning or rezoning required to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584 for the new planning period.

(c) Nothing in this section shall be construed to diminish the requirement of a city or county to accommodate its share of the regional housing need for each income level during the planning period set forth in Section 65588, including the obligations to (1) implement programs included pursuant to Section 65583 to achieve the goals and objectives, including programs to zone or rezone land, and (2) timely adopt a housing element with an inventory described in paragraph (3) of subdivision (a) of Section 65583 and a program to make sites available pursuant to paragraph (1) of subdivision (c) of Section 65583, which can accommodate the jurisdiction's share of the regional housing need.

65584.1. Councils of government may charge a fee to local governments to cover the projected reasonable, actual costs of the council in distributing regional housing needs pursuant to this article. Any fee shall not exceed the estimated amount required to implement its obligations pursuant to Sections 65584, 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, and 65584.07. A city, county, or city and county may charge a fee, not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments, to reimburse it for the cost of the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of the city, county, or city and county shall impose the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee.

65584.2. A local government may, but is not required to, conduct a review or appeal regarding allocation data provided by the department or the council of governments pertaining the locality's share of the regional housing need or the submittal of data or information for a proposed allocation, as permitted by this article.

65584.3. (a) A city that is incorporated to promote commerce and industry, that is located in the County of Los Angeles, and that has no residentially zoned land within its boundaries on January 1, 1992, may elect to adopt a housing element that makes no provision for new housing or the share of regional housing needs as determined pursuant to Section 65584 for the current and subsequent revisions of the housing element pursuant to Section 65588, for the period of time that 20 percent of all tax increment revenue accruing from all redevelopment projects, and required to be set aside for low- and moderate-income housing pursuant to Section 33334.2 of the Health and Safety Code, is annually transferred to the Housing Authority of the County of Los Angeles.

(b) (1) The amount of tax increment to be transferred each year pursuant to subdivision (a) shall be determined at the end of each fiscal year, commencing with the 1992-93 fiscal year. This amount shall be transferred within 30 days of the agency receiving each installment of its allocation of tax increment moneys, commencing in 1993.

(2) On or before December 31, 1992, the agency shall make an additional payment to the Housing Authority of the County of Los Angeles that eliminates any indebtedness to the low- and moderate-income housing fund pursuant to Section 33334.3. This amount shall be reduced by any amount actually expended by the redevelopment agency for principal or interest payments on agency bonds issued prior to the effective date of the act that adds this section, when that portion of the agency's tax increment revenue representing the low- and moderate-income housing set-aside funds was lawfully pledged as security for the bonds, and only to the extent that other tax increment revenue in excess of the 20-percent low- and moderate-income set-aside funds is insufficient in that fiscal year to meet in full the principal and interest payments.

(c) The Department of Housing and Community Development shall annually review the calculation and determination of the amount transferred pursuant to subdivisions (a) and (b). The department may conduct an audit of these funds if and when the Director of Housing and Community Development deems an audit appropriate.

(d) The amount transferred pursuant to subdivisions (a) and (b) shall fulfill the obligation of that city's redevelopment agency to provide for housing for low- and moderate-income families and individuals pursuant to Sections 33334.2 to 33334.16, inclusive, of the Health and Safety Code. The use of these funds for low- and moderate-income families in the region of the Southern California Association of Governments within which the city is located shall be deemed to be of benefit to the city's redevelopment project areas.

(e) (1) The amount transferred pursuant to subdivisions (a) and (b) to the Housing Authority of the County of Los Angeles shall be expended to provide housing and assistance, including, but not limited to, that specified in subdivision (e) of Section 33334.2 of the Health and Safety Code for low- and moderate-income families and individuals, in the region of the Southern California Association of Governments within which the city is located.

(2) Funds expended pursuant to this subdivision shall be expended in accordance with all of the following:

(A) The funds shall be expended for the construction of low- and moderate-income housing located no further than 15 miles from the nearest boundary line of the City of Industry.

(B) The low- and moderate-income housing constructed pursuant to this subdivision shall be in addition to any other housing required by the housing element of the general plan of the jurisdiction in which the low- and moderate-income housing is constructed.

(C) Funds may be encumbered by the Housing Authority of the County of Los Angeles for the purposes of this subdivision only after the authority has prepared a written plan for the expenditure of funds to be transferred to the authority pursuant to this subdivision and has filed a copy of this expenditure plan with the Department of Housing and Community Development.

(f) A city that meets the conditions specified in subdivision (d) shall continue to have responsibility for preparing a housing element pursuant to Section 65583 only to the extent to which the assessment of housing needs, statement of goals and objectives, and the five-year schedule of actions relate to the city's plan to maintain, preserve, and improve the housing that exists in the city on the effective date of the act which adds this section.

(g) This section shall not become operative unless and until a parcel of land, to be dedicated for the construction of a high school, is transferred pursuant to a written agreement between the City of Industry and the Pomona Unified School District, and a copy of this agreement is filed with the County Clerk of the County of Los Angeles.

65584.6. (a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

(1) An agreement has been executed between the county and the receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

(A) A plan and schedule for timely construction of dwelling units.

(B) Site identification by street address for the units to be developed.

(C) A statement either that the sites upon which the units will be developed were identified in the receiving city's housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

(D) The number and percentage of the county's lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

(2) The council of governments that assigned the county's share receives and approves each proposed agreement to meet a portion of the county's fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

(3) The city or cities in which the units are developed agree not to count the units towards their share of the region's affordable housing need.

(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings:

(A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section.

(B) If needed, additional subsidy or financing for the construction of the units is available.

(C) The receiving city or cities have housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements.

(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income households allocated to the city pursuant to Section 65584.

(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

(e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

65584.7. (a) The Legislature finds and declares all of the following:

(1) Accurate and current data to estimate housing needs is necessary to ensure that state, regional, and local agencies plan effectively.

(2) The Department of Finance, which is charged with providing demographic data to aid effective state and local planning and policymaking, released updated population projections for the state on July 9, 2007.

(3) The updated projections released by the Department of Finance represent a decline of over 30 percent from the prior projection in the near-term population growth for the area within the regional jurisdiction of the Sacramento Area Council of Governments.

(4) Authorizing the department to adjust its regional housing needs determination for the Sacramento Area Council of Governments region is allowed only because a substantially different projection was released by the Department of Finance prior to the adoption of the Sacramento Area Council of Governments' final regional housing need allocation plan, and will not alter the schedule for its adoption.

(b) (1) Consistent with the revised population projections released by the Department of Finance on July 9, 2007, the department, for the fourth revision of the housing element pursuant to Section 65588, and prior to the adoption of the final regional housing need allocation plan by the Sacramento Area Council of Governments, may revise its regional housing need determination for the Sacramento Area Council of Governments. The revised determination by the department shall be consistent with the current population projections of the Department of Finance and with the methodology used for the initial determination for the region.

(2) The revision of the regional housing need determination shall not extend the time for, or reinstate any right to, an appeal, request for revision, or public comment or consultation period established pursuant to this article with respect to the determination of the regional housing need and the allocation to local government members of the Sacramento Area Council of Governments.

(3) This section does not change or modify the deadline established in Section 65588 by which local governments within Sacramento Area Council of Governments are required to adopt revised housing elements.

(c) This section is not intended to change or modify the deadlines in Sections 65584.01 to 65584.08, inclusive.

(d) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

ATTACHMENT B

HCD Letter

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

1800 Third Street, Suite 430
P. O. Box 982053
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(916) 323-3177
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August 31, 2007

Mr. Andrew Chesley, Executive Director
San Joaquin Council of Governments
555 E. Weber Avenue
Stockton, CA 95202

Dear Mr. Chesley:

RE: Regional Housing Needs Determination

This letter transmits the Regional Housing Needs Determination for San Joaquin Council of Governments (SJCOG) region pursuant to Government Code Section 65584.01 of State housing element law. As you are aware, local governments play a critical role in advancing the State's housing goals through the update of their general plan housing elements. The determination of regional housing need is to be used for development of a regional housing need allocation plan (RHNP) to update housing elements.

On May 24, 2007, the Department of Housing and Community Development (Department) notified you that it extended the due date for jurisdictions to update their housing elements from June 30, 2009 to August 31, 2009. This extension was necessary to accommodate the Department of Finance's July 2007 update of the State's population projections.

The Department completed its consultation process after Linda Wheaton and Glen Campora held an initial consultation meeting with Dana Cowell, Mike Swearingen and Anthony Zepeda on July 17, 2007. At this meeting, the Department provided a copy of its draft determination of the regional housing need for San Joaquin County. In addition, a briefing was given on applicable statutory requirements and changes relating to development of the distribution of the allocation and factors to be considered in the methodology of the RHNP. The Department informed representatives of the opportunity to provide comments and information for the Department to consider in finalizing its determination.

The determination, shown on Attachment 1, represents the final determination of minimum housing need for SJCOG to be allocated among cities and counties in the RHNP for the planning period 2007 – 2014. The determination represents a revision of the Department's initial draft determination, based upon consideration of factors discussed in phone conversations with SJCOG staff subsequent to the July 17th consultation meeting and in an August 31 letter.

Mr. Andrew Chesley, Executive Director
Page 2

Please note that the RHNP is required to be consistent with the following objectives, as set forth in more detail in statute (Section 65584(d)):

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability;
- (2) Promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns;
- (3) Promoting an improved intraregional relationship between jobs and housing; and
- (4) Balancing the distribution of households by income category.

Each jurisdiction must be allocated a share of housing need, by income category, to plan to accommodate in updating their housing elements by August 31, 2009. Regarding local government's regional housing need allocation, jurisdictions may take credit for housing units permitted since the January 2007 baseline of the housing element planning period that ends August 31, 2014.

Government Code Section 65584.01(d)(1) allows 30 days from the date of this letter to file an objection and proposed alternative to the Department's determination based only on demographic issues set forth in the statute. Pursuant to Government Code Section 65584.05 (h), the RHNP is to be submitted to the Department for review within 60 days of adoption by the council of governments. The Department is required to determine whether the RHNP is consistent with the regional housing need determination made by the Department (conveyed by this letter) and is authorized to revise the RHNP to obtain this consistency.

The Department appreciates the important role your organization plays in the regional housing needs process and the cooperation provided by representatives. Staff is available to further assist development and implementation of the RHNP and updates of the housing elements. For assistance, please contact Glen Campora, of our office, at (916) 327-2640.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosures

Attachment 1

San Joaquin County

Regional Housing Need Determination

For the Period January 2007 through June 30, 2014

<u>Income Category</u>	<u>Housing Unit Need</u>	<u>Percent</u>
Very Low	9,314	24
Low	6,032	16
Moderate	6,972	18
Above Moderate	<u>15,902</u>	<u>42</u>
Total	38,220	100%

Attachment 2

**San Joaquin County: Explanation of Regional Housing Need Determination
For the Period January 1, 2007 through June 30, 2014**

Methodology, Assumptions, and Data Sources Used to Project Housing Unit Need:

1. Household (HH) growth (37,389) was derived by subtracting 1/1/2007 "Occupied Housing Units" (215,127) from 6/30/2014 "Projected Households" (252,516). The Demographic Research Unit of the California Department of Finance (DOF) prepares these official estimates and projections last updated July 2007 (Population Projections by Race/Ethnicity, Gender and Age for California and Its Counties 2000-2050, July 2007). For planning period purposes, DOF provides the Department projections of HH population and projected number of households. The HH population projection reflects the population housed (occupied housing units) and excludes the group quarters population. Occupied housing units are estimated by DOF in its E-5 report (Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark, May 2007). The projected change in HH population reflects the change between January 1, 2007 (662,646) and June 30, 2014 (808,877). In projecting households, DOF uses the cohort-component method by applying age- and ethnicity-specific HH formation ratios from Census 2000 to the projected population as described on its webpage (<http://www.dof.ca.gov/html/DEMOGRAP/ReportsPapers/Projections/P3>).
2. Homeowner and Renter households (HHs): allocation based on Census 2000 proportion of owner-occupied HHs (80.4%) held constant through projection period. Renter HHs reflect the difference in subtracting homeowner HHs from projected HH growth.
3. Vacancy allowance: rates of 1.8% (owner) and 5.0% (renter) reflect adjustments from standard targets of 2.0% and 6.0%, respectively, for current conditions. Standard targets identified by Office of Planning and Research, Economic Practices Manual (1984:37). These rates were additionally decreased 50% to account for documented market abnormality.
4. Replacement allowance: empirical demolition rate per housing unit averages .09% per year for 2001 through 2007 based on DOF demolition permit data (average 196 demolition permits among jurisdictions within the county, 2001-2007). The average rate is adjusted by a multiple of 2 to account for other losses, such as demolitions without a permit, conversions from residential use to other uses not involving demolition, and/or dwelling units destroyed because of a disaster. The adjusted rate is multiplied by 7.5 (years in the planning period) yielding a 1.41% replacement allowance rate. The standard minimum replacement percentage is 1% whereas the maximum replacement percentage applied is 2%. These rates were additionally decreased 50% to account for documented market abnormality.
5. Income category allocation: each income category was calculated by multiplying total housing need by the proportion of HHs in each income category based on County median HH income (Census 2000) and income definitions (H&S Code Sections 50079.5 and 50105, et.seq.).

Housing Unit Need Projection:

Household growth, Census 2000 headship rates (1)		37,389
Homeowner HHs (2)	60.4%	22,576
Homeowner HH vacancy allowance (3)	.9%	203
Renter HHs	39.6%	14,813
Renter HHs vacancy allowance (3)	2.5%	370
	Subtotal	37,962
Replacement allowance (4)	.71%	258
	Total	38,220

ATTACHMENT C

Notice of Public Hearing

NOTICE OF PUBLIC HEARING BEFORE THE
SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG)
(February 4, 2008)

California Government Code 66584 requires that SJCOG adopt and implement a Regional Housing Need Allocation plan (RHNA) by **August 31, 2008**.

SJCOG is required to complete a methodology that is used to assign each jurisdiction in San Joaquin County its share of the region's total housing need.

A 60-day public review and comment period on behalf of the RHNA Draft Methodology will begin on **February 6, 2008** and will conclude on **April 9, 2008**. A copy of the Draft Methodology is available for review at the SJCOG office between 8 a.m. and 5 p.m. M-F or online at www.sjcog.org

NOTICE IS GIVEN that at 4:00 p.m. **April 10, 2008**, at 555 East Weber Avenue, Conference Room, 1st Floor, Stockton, California, a public hearing will be held to receive oral and written statements regarding the RHNA Draft Methodology.

If you challenge the nature of any proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to SJCOG at or prior to the end of the public review period.

For further information, contact Anthony Zepeda, Regional Planner, at (209) 468-3913.

ATTACHMENT D

Household per Income Category, 2000

Households Per Income Category, 2000

Regional (Countywide) Median Household Income in 2000: \$41,282
Source: 2000 Census, U.S. Census Bureau, 2000.

Income Category	Census Household Income Strata	Regional Total (Countywide)	Regional Total per income Category	Estadon Totals per income Categories	Lathrop Totals per income Categories	Lodi Totals per income Categories	Manitoba Totals per income Categories	Ripon Totals per income Categories	Stetson Totals per income Categories	Tracy Totals per income Categories	Unincorp. Totals per income Categories
Very Low Income (40% median household income)	Below \$20,041	16,364	1,974	125	77	1,047	1,047	166	10,427	870	3,678
	\$10,000 to \$14,999	12,224	1,459	160	117	5,000	890	465	6,360	526	2,815
	\$15,000 to \$24,999 (56.4% of the increment to "Very Low" income)	13,571	1,667	133	153	1,046	1,046	127	6,726	711	3,003
	\$25,000 to \$29,999 (41.9% of the increment to "Very Low" income)	10,462	1,267	103	119	3,531	859	96	5,197	549	2,320
Low Income (80% to 80% median household income)	\$30,000 to \$39,999 (49.3% of the increment to "Very Low" income)	19,051	2,244	160	218	3,531	1,846	285	8,131	1,145	4,223
	\$40,000 to \$49,999 (63.7% of the increment to "Very Low" income)	4,437	501	39	53	3,008	404	70	1,999	282	1,058
Moderate Income (80% to 100% median household income)	\$50,000 to \$59,999 (60.7% of the increment to "Moderate" income)	28,817	3,257	306	494	3,008	3,125	490	12,173	2,329	6,842
	\$60,000 to \$69,999 (70.7% of the increment to "Moderate" income)	913	103	10	16	103	99	16	386	74	210
	\$70,000 to \$79,999 (80.7% of the increment to "Moderate" income)	35,475	3,948	421	613	3,948	4,017	1,033	13,767	4,104	7,372
	\$80,000 to \$89,999 (90.7% of the increment to "Moderate" income)	19,924	1,987	429	510	1,987	1,846	515	6,960	3,700	3,974
Above Moderate Income (above 100% household income)	\$90,000 to \$149,999	13,421	1,603	166	236	6,146	7,621	1,990	4,960	2,507	3,182
	\$150,000 to \$199,999	3,212	438	77	96	438	220	84	1,069	491	639
	\$200,000 to \$299,999	2,751	271	0	3	271	153	57	966	241	960
	\$300,000 or more	18,152	20,667	2,059	2,844	20,667	16,360	3,383	78,594	17,259	46,276
Total Households:											
Very Low Income	Below \$20,041 (45% of median household income)	24.32%	12.22%	20.31%	12.22%	24.70%	16.84%	13.35%	29.92%	12.02%	23.56%
Low Income	\$20,041 to \$39,999 (50% to 80% of median household income)	15.71%	17.17%	12.25%	11.82%	17.17%	15.00%	11.32%	16.86%	9.67%	16.24%
Moderate Income	\$40,000 to \$89,999 (60% to 100% of median household income)	18.31%	19.25%	16.78%	19.25%	18.52%	21.57%	16.57%	16.02%	14.69%	19.07%
Above Moderate Income	Above \$90,000 (Above 100% of median household income)	41.66%	56.70%	50.6%	56.70%	39.62%	46.58%	58.81%	35.05%	63.42%	41.11%

ATTACHMENT E

DOF Annual Housing

Department of Finance ~ Annual Housing Ending January 1, 2000													
-----POPULATION-----				-----HOUSING UNITS-----									
				----- SINGLE -----					----- MULTIPLE -----				
COUNTY/CITY	TOTAL	HOUSE-HOLD	GROUP QUARTERS	TOTAL DUs	Housing Minus Gp. Quarters	DETACHED	ATTACHED	2 TO 4	5 PLUS	MOBILE HOMES	OCCUPIED	PCT VACANT	PERSONS PER HOUSE-HOLD
Escalon	5,963	5,937	26	2,132	2,106	1,726	20	153	98	135	2,056	3.56	2.888
Lathrop	10,445	10,435	10	2,991	2,981	2,473	63	92	12	351	2,908	2.77	3.588
Lodi	57,011	55,987	1,024	21,381	20,357	13,221	1,454	1,742	4,500	464	20,695	3.21	2.705
Manteca	49,255	48,778	477	16,936	16,459	11,883	739	1,099	2,346	869	16,367	3.36	2.98
Ripon	10,158	10,047	111	3,448	3,337	2,913	95	137	294	9	3,370	2.26	2.981
Stockton	243,771	238,455	5,316	82,042	76,726	49,088	6,592	8,413	16,661	1,288	78,556	4.25	3.035
Tracy	56,929	56,584	345	18,087	17,742	14,061	1,015	939	1,597	475	17,620	2.58	3.211
Balance Of County	130,066	118,604	11,462	42,143	30,681	33,941	1,240	770	592	5,600	40,057	4.95	2.961
Incorporated	433,532	426,223	7,309	147,017	139,708	95,365	9,978	12,575	25,508	3,591	141,572	3.7	3.011
County Total	563,598	544,827	18,771	189,160	170,389	129,306	11,218	13,345	26,100	9,191	181,629	3.98	3

Department of Finance ~ Annual Housing Ending January 1, 2008													
-----POPULATION-----				-----HOUSING UNITS-----									
				----- SINGLE -----					----- MULTIPLE -----				
COUNTY/CITY	TOTAL	HOUSE-HOLD	GROUP QUARTERS	TOTAL	Housing Minus Gp. Quarters	DETACHED	ATTACHED	2 TO 4	5 PLUS	MOBILE HOMES	OCCUPIED	PCT VACANT	PERSONS PER HOUSE-HOLD
Escalon	7,131	7,105	26	2,504	2,478	2,098	20	153	98	135	2,415	3.55	2.942
Lathrop	17,429	17,419	10	4,917	4,907	4,132	328	94	12	351	4,763	3.13	3.657
Lodi	63,362	62,298	1,064	23,353	22,289	15,127	1,487	1,768	4,506	465	22,604	3.21	2.756
Manteca	66,451	65,974	477	22,485	22,008	17,198	739	1,136	2,561	851	21,730	3.36	3.036
Ripon	14,915	14,804	111	4,987	4,876	4,218	192	197	369	11	4,874	2.27	3.037
Stockton	289,927	285,367	4,560	96,553	91,993	62,729	6,592	8,487	17,457	1,288	92,450	4.25	3.087
Tracy	81,548	81,203	345	25,478	25,133	20,934	1,027	1,027	2,014	476	24,820	2.58	3.272
Balance of County	144,897	134,932	9,965	47,062	37,097	37,942	1,304	903	759	6,154	44,734	4.95	3.016
Incorporated	540,763	534,170	6,593	180,277	173,684	126,436	10,385	12,862	27,017	3,577	173,656	3.67	3.076
County Total	685,660	669,102	16,558	227,339	210,781	164,378	11,689	13,765	27,776	9,731	218,390	3.94	3.064

ATTACHMENT F

RHNA by Individualized Share of Job and Housing Weights

CITY OF ESCALON									
Households 2014		Households 2007	=	Household Growth		Regional Household Growth		Share of Household Growth	
4,042	-	3,484	=	558		37,814		1.48%	
Jobs 2014		Jobs 2007	=	Job Growth		Regional Job Growth		Share of Job Growth	
4,042	-	3,484	=	558		32,819		1.70%	
Share of Job Growth		Job Weight Factor		Share of Household Growth		Household Weight Factor		HCD Regional Housing Target	Total Projected Housing Target
1.70%	x	0.8858	+	1.48%	x	0.1142	x	38,220	= 640
Household Income Distribution									
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction			Housing Unit Allocation by Category
Very Low		20.31%		24.32%		22.32%			143
Low		12.75%		15.71%		14.23%			91
Moderate		16.78%		18.31%		17.55%			112
Above Moderate		50.16%		41.66%		45.91%			294
TOTAL		100%		100%		100%			640

CITY OF LATHROP									
Households 2014		Households 2007	=	Household Growth		Regional Household Growth		Share of Household Growth	
6,339	-	4,642	=	1,697		37,814		4.49%	
Jobs 2014		Jobs 2007	=	Job Growth		Regional Job Growth		Share of Job Growth	
7,591	-	6,543	=	1,048		32,819		3.19%	
Share of Job Growth		Job Weight Factor		Share of Household Growth		Household Weight Factor		HCD Regional Housing Target	Total Projected Housing Target
3.19%	x	0.5606	+	4.49%	x	0.4394	x	38,220	= 1,438
Household Income Distribution									
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction			Housing Unit Allocation by Category
Very Low		12.22%		24.32%		18.27%			263
Low		11.82%		15.71%		13.77%			198
Moderate		19.26%		18.31%		18.79%			270
Above Moderate		56.70%		41.66%		49.18%			707
TOTAL		100%		100%		100%			1,438

CITY OF LODI									
Households 2014		Households 2007	=	Household Growth		Regional Household Growth		Share of Household Growth	
24,403	-	22,189	=	2,214		37,814		5.85%	
Jobs 2014		Jobs 2007	=	Job Growth		Regional Job Growth		Share of Job Growth	
32,439	-	27,962	=	4,477		32,819		13.64%	
Share of Job Growth		Job Weight Factor		Share of Household Growth		Household Weight Factor		HCD Regional Housing Target	Total Projected Housing Target
13.64%	x	0.8367	+	5.85%	x	0.1633	x	38,220	= 4,728
Household Income Distribution									
Income Category		2000 Household Median Income Percentage Jurisdiction		2000 Household Median Income Percentage Region		2007 Household Median Income Percentage Jurisdiction			Housing Unit Allocation by Category
Very Low		24.70%		24.32%		24.51%			1159
Low		17.17%		15.71%		16.44%			777
Moderate		18.52%		18.31%		18.42%			871
Above Moderate		39.62%		41.66%		40.64%			1921
TOTAL		100%		100%		100%			4,728

CITY OF MANTECA									
Households 2014		Households 2007	=	Household Growth		Regional Household Growth		Share of Household Growth	
26,370	-	21,433	=	4,937		37,814		13.06%	
Jobs 2014		Jobs 2007	=	Job Growth		Regional Job Growth		Share of Job Growth	
19,550	-	16,852	=	2,698		32,819		8.22%	
Share of Job Growth		Job Weight Factor		Share of Household Growth		Household Weight Factor		HCD Regional Housing Target	Total Projected Housing Target
8.22%	x	0.4127	+	13.06%	x	0.5873	x	38,220	= 4,227
Household Income Distribution									
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction			Housing Unit Allocation by Category
Very Low		16.84%		24.32%		20.58%			870
Low		15.00%		15.71%		15.36%			649
Moderate		21.57%		18.31%		19.94%			843
Above Moderate		46.58%		41.66%		44.12%			1865
TOTAL		100%		100%		100%			4,227

CITY OF RIPON								
Households 2014	-	Households 2007	=	Household Growth		Regional Household Growth	Share of Household Growth	
6,046		4,738		1,308		37,814	3.46%	
Jobs 2014	-	Jobs 2007	=	Job Growth		Regional Job Growth	Share of Job Growth	
6,139		5,292		847		32,819	2.58%	
Share of Job Growth	x	Job Weight Factor	+	Share of Household Growth	x	Household Weight Factor	HCD Regional Housing Target	
2.58%		0.5712		3.46%		0.4288	38,220	
							=	Total Projected Housing Target
								1,130
Household Income Distribution								
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction	Housing Unit Allocation by Category	
Very Low		13.30%		24.32%		18.81%	213	
Low		11.32%		15.71%		13.52%	153	
Moderate		16.57%		18.31%		17.44%	197	
Above Moderate		58.81%		41.66%		50.24%	568	
TOTAL		100%		100%		100%	1,130	

SAN JOAQUIN COUNTY								
Households 2014	-	Households 2007	=	Household Growth		Regional Household Growth	Share of Household Growth	
42,580		35,484		7,096		37,814	18.77%	
Jobs 2014	-	Jobs 2007	=	Job Growth		Regional Job Growth	Share of Job Growth	
25,425		21,916		3,509		32,819	10.69%	
Share of Job Growth	x	Job Weight Factor	+	Share of Household Growth	x	Household Weight Factor	HCD Regional Housing Target	
10.69%		0.356		18.77%		0.644	38,220	
							=	Total Projected Housing Target
								6,074
Household Income Distribution								
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction	Housing Unit Allocation by Category	
Very Low		23.58%		24.32%		23.95%	1,455	
Low		16.24%		15.71%		15.98%	970	
Moderate		19.07%		18.31%		18.69%	1,135	
Above Moderate		41.11%		41.66%		41.39%	2,514	
TOTAL		100%		100%		100%	6,074	

CITY OF STOCKTON									
DOF Households 2014		DOF Households 2007		Household Growth		Regional Household Growth		Share of Household Growth	
105,189	-	91,304	=	13,885		37,814		36.72%	
EDD Jobs 2014		EDD Jobs 2007		Job Growth		Regional Job Growth		Share of Job Growth	
112,797	-	97,229	=	15,568		32,819		47.44%	
Share of Job Growth		Job Weight Factor		Share of Household Growth		Household Weight Factor		HCD Regional Housing Target	Total Projected Housing Target
47.44%	x	0.6178	+	36.72%	x	0.3822	x	38,220	= 16,565
Household Income Distribution									
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction			Housing Unit Allocation by Category
Very Low		29.92%		24.32%		27.12%			4492
Low		16.96%		15.71%		16.34%			2706
Moderate		18.03%		18.31%		18.17%			3010
Above Moderate		35.09%		41.66%		38.38%			6357
TOTAL		100%		100%		100%			16,565

CITY OF TRACY									
Households 2014		Households 2007		Household Growth		Regional Household Growth		Share of Household Growth	
30,804	-	24,685	=	6,119		37,814		16.18%	
Jobs 2014		Jobs 2007		Job Growth		Regional Job Growth		Share of Job Growth	
29,814	-	25,700	=	4,114		32,819		12.54%	
Share of Job Growth		Job Weight Factor		Share of Household Growth		Household Weight Factor		HCD Regional Housing Target	Total Projected Housing Target
12.54%	x	0.4886	+	16.18%	x	0.5104	x	38,220	= 5,498
Household Income Distribution									
Income Category		2000 Household Income Percentage Jurisdiction		2000 Household Income Percentage Region		2007 Household Income Percentage Jurisdiction			Housing Unit Allocation by Category
Very Low		12.02%		24.32%		18.17%			999
Low		9.67%		15.71%		12.69%			698
Moderate		14.89%		18.31%		16.60%			913
Above Moderate		63.42%		41.66%		52.54%			2888
TOTAL		100%		100%		100%			5,498

ATTACHMENT G

Final RHNA Adjustment Calculation

Final RHNA Adjustment Calculation

Jurisdiction Name	Initial Very Low	Percentage of Very Low Assumed	Numerical Adjustment to HCD Allocation	Total Adjusted Very Low	Initial Low	Percentage of Low Assumed	Numerical Adjustment to HCD Allocation	Total Adjusted Low		
Escalon	110	1.21%	2.02	112.47	70	1.19%	1.15	71.58		
Lathrop	243	2.66%	4.45	247.36	183	3.08%	2.98	185.99		
Lodi	953	10.42%	17.48	970.73	639	10.77%	10.40	649.79		
Manteca	835	9.13%	15.31	850.40	623	10.50%	10.13	633.20		
Ripon	179	1.96%	3.29	182.69	129	2.17%	2.10	130.99		
Stockton	4,480	48.98%	82.12	4,561.82	2,698	45.46%	43.87	2,742.09		
Tracy	891	9.74%	16.33	907.22	622	10.48%	10.12	632.32		
SJ County	1,455	15.90%	26.67	1,481.31	970	16.35%	15.78	986.05		
Total	9,146	100.00%	167.68	9,314	5,935	100.00%	96.51	6,032		
HCD Issued Totals	9,314				6,032					
Diff. from Initial Allocation to HCDs	168				97					
Jurisdiction Name	Initial Moderate	Percentage of Moderate Assumed	Numerical Adjustment to HCD Allocation	Total Adjusted Moderate	Initial Above Moderate	Percentage of Above Moderate Assumed	Numerical Adjustment to HCD Allocation	Total Adjusted Above Moderate	Initial RHNA TOTAL	Final Adjusted RHNA Total
Escalon	87	1.24%	-0.08	86.76	227	1.41%	-3.62	224	495	494
Lathrop	250	3.58%	-0.24	249.51	654	4.05%	-10.42	643	1,330	1,326
Lodi	716	10.26%	-0.68	715.53	1,581	9.78%	-25.19	1,555	3,889	3,891
Manteca	809	11.59%	-0.77	808.35	1,790	11.08%	-28.53	1,761.75	4,058	4,054
Ripon	166	2.38%	-0.16	166.17	479	2.96%	-7.64	471	954	951
Stockton	3,001	43.01%	-2.86	2,998.47	6,339	39.23%	-101.03	6,238	16,518	16,540
Tracy	814	11.66%	-0.78	813.13	2,576	15.94%	-41.06	2,535	4,903	4,888
SJ County	1,135	16.27%	-1.08	1,134.09	2,514	15.55%	-40.06	2,474	6,074	6,075
Total	6,979	100.00%	-6.66	6,972	16,160	100.00%	-257.55	15,902	38,220	38,220
HCD Issued Totals	6,972				15,902					
Diff. from Initial Allocation to HCDs	-7				-258					

ATTACHMENT H

RHNA Inventory

RHNA INVENTORY

All jurisdictions were provided the opportunity to identify any opportunities and constraints to development of additional housing in each member jurisdiction. These factors, found in CA Codes 65580-65589.8 are as follows:

- 1) Each member jurisdiction's existing and projected jobs and housing relationship; and,
- 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.
 - (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 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 (8) 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 farm workers.
- (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 sub region, 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 sub region, 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 sub region pursuant to Section 65584.05.