Final

6th Cycle Regional Housing Needs Assessment Methodology

November 22, 2019

Table of Contents

Overview

On July 5, 2018, the State Department of Housing and Community Development (HCD) determined the San Diego region would need to plan for 171,685 housing units (Regional Housing Needs Assessment [RHNA] Determination) during the 6th Housing Element Cycle (2021-2029). As the council of governments for the San Diego region, the San Diego Association of Governments (SANDAG) is responsible for developing a methodology for allocating the regional housing need among the region's 19 jurisdictions. The methodology must distribute each jurisdiction's housing unit allocation among the four income categories – low, very-low, moderate, and above moderate – and further the objectives set forth in state law.

State housing element law requires SANDAG to provide a discussion of the methodology that includes the data and assumptions relied upon, and an explanation of how information about local government conditions and how each of the factors required by law was used to develop the draft methodology. (See Government Code Section 65584.04.) SANDAG must also describe how the methodology would further the five objectives in Government Code Section 65584. This document is meant to provide the information required by statute.

State law also prohibits consideration of certain criteria. The following justifications have not been used in development of the methodology and cannot be the basis for a determination of a jurisdiction's share of the regional housing need:

1. 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.
2. Prior underproduction of housing in a city or county from the previous regional housing need allocation.
3. Stable population numbers in a city or county from the previous regional housing needs cycle.

In addition to state housing element law, state law associated with development of Regional Transportation Plans (RTPs) requires that there be consistency between transportation planning, development of housing, and reduction of greenhouse gas (GHG) emissions. (See Government Code Sections 65080 and 65584.) Increased use of public transportation leads to reduced GHG emissions compared to driving alone. This is why the methodology was developed with an eye toward maximizing access between public transportation and all housing types.

On July 26, 2019, the SANDAG Board of Directors released a draft methodology for public review. The Board held a public hearing and concluded the public review period on September 6, 2019. SANDAG received over 2,000 comments on the draft methodology from jurisdictions, organizations, and members of the public. SANDAG posted all supplemental information, a series of frequently asked questions (FAQs), all public comments received during the public comment period, and responses to comments online. The supplemental information, FAQs, and responses to comments are included for reference in the Appendix.

After consideration of the comments received, the Board authorized staff to submit the draft methodology to HCD for review on September 6, 2019. HCD reviewed the draft methodology and submitted a letter to SANDAG on November 1, 2019. HCD found that the methodology furthers the five statutory objectives in Government Code section 65584(d), and did not provide any proposed amendments to the methodology for the Board's consideration.

On November 22, 2019, the Board adopted the final methodology.

Final Regional Housing Needs Assessment Methodology

The final methodology adopted by the Board on November 22, 2019, includes the following components.

1. **Of the total housing units, 65% will be allocated to jurisdictions with access to transit, including rail stations, *Rapid* bus stations, and major transit stops.** Significant investments in transit have been made throughout the region, and the methodology prioritizes housing growth in those

areas with access to transit. Encouraging housing growth near transit can promote infill development (developing vacant or under-used land within existing urban areas that are already largely developed) and preserve open space, as most transit is located in urbanized areas. Improved access to transit also can lower the vehicle miles traveled in a car and reduce GHG gas emissions.

2. **Within the housing units allocated for jurisdictions with access to transit, 75% of the units will be allocated to jurisdictions with rail stations and *Rapid* bus stations and 25% will be allocated to jurisdictions with major transit stops.** To ensure future growth is located near transit, the methodology prioritizes 75% of the housing units in areas with rail and *Rapid* bus stations. Rail stations and *Rapid* bus stations usually are located along fixed routes that require significant capital investment to construct. Unlike bus stops or routes, rail and *Rapid* stations and routes are not amended or eliminated on a regular basis.

   The remaining 25% of the housing units will be allocated in jurisdictions with major transit stops. Major transit stops, as defined in state law, have two intersecting bus routes that arrive at 15-minute intervals during peak commute hours.

3. **Of the total housing units, 35% will be allocated to jurisdictions based on the total number of jobs in their jurisdiction.** Jurisdictions should plan for housing to provide opportunities for more residents to live near their place of employment, promoting infill development, and improving the intraregional relationship between jobs and housing.

4. **The methodology further applies an equity adjustment.** The RHNA Determination divided the number of housing units needed in the region into four income categories based on the region's current percentages of households in each income category. The equity adjustment includes a calculation of the existing households in each jurisdiction in each income category. To promote equity and fair housing, as well as to meaningfully address patterns of segregation, the methodology will allocate more housing units within each income category to jurisdictions with a percentage of households in that same category that is lower than the regional percentage.

Underlying Data and Assumptions

The methodology consists of a transit component, jobs component, and equity adjustment. The underlying data and assumptions used in each component and the equity adjustment are discussed below.

Transit

Of the total housing units, 65% (111,595 housing units) will be allocated based on each jurisdiction's share of regional transit services. Because most transit infrastructure is located in the urbanized areas of the San Diego region, heavily weighting the transit component will promote infill development, preserve open space, lower-vehicle miles traveled, and reduce GHG emissions.

The transit component measures each jurisdiction's share of rail & *Rapid* Stations and major transit stops, which are defined below.

§ Rail & *Rapid* (R&R) Stations: Stations served by rail (North County Transit District [NCTD] COASTER; NCTD SPRINTER; and Metropolitan Transit System [MTS] Trolley, including planned Mid-Coast stations) and *Rapid* bus routes (NCTD BREEZE Route 350; MTS *Rapid* Routes 215, 225, and 235; and MTS *Rapid Express* Routes 280 and 290).

§ Major Transit Stops: The intersection of two or more major local bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

Of the units allocated based on the transit component, 75% (83,696 housing units) will be allocated based on each jurisdiction's share of R&R Stations, while 25% (27,899 housing units) will be allocated based on

each jurisdiction's share of major transit stops. This reflects the significant investment the region has made to build and improve rail lines and *Rapid* routes as well as the permanency of rail lines relative to local bus service. Additionally, rail and *Rapid* routes have higher capacities and are among the more popular transportation services in the region. Therefore, the methodology assumes these services can have a larger impact on changing commute behavior and achieving mode shift goals.

Data Source

The data source for the transit component is the SANDAG Activity Based Model (ABM). For R&R stations, SANDAG ABM Forecast Year 2025 No Build was used in order to capture the Mid-Coast Trolley stations currently under construction and anticipated to be open for service to the public by 2021. For major transit stops, SANDAG ABM Forecast Year 2020 was used as the specific data source to align with the start of the 6th Housing Element Cycle planning period.

For *Rapid* stations and major transit stops that have stops on either side of the road, which correspond to northbound/southbound or eastbound/westbound travel, stop pairs were counted as one station or stop. Stations that serve more than one rail and/or *Rapid* route were counted once in the R&R data. For example, the Oceanside Transit Center, which is served by two rail lines (NCTD COASTER and NCTD SPRINTER), accounts for only one of the seven R&R stations in Oceanside. Some R&R stations are also considered major transit stops because they are also served by two or more bus lines with 15-minute frequencies during peak commute. The Old Town Transit Center in the City of San Diego, for example, is both a R&R station (served by the NCTD COASTER and MTS Trolley) and major transit stop (served by MTS Bus routes 10, 30, 35, and 44, which have 15-minute peak period frequencies).

The data underlying the proximity to transit component is included in Table 1.

Table 1: Transit Data

Jurisdiction	Rail & *Rapid* Stations		Major Transit Stops	
	Count	Regional Share (%)	Count	Regional Share (%)
Carlsbad	2	1.3%	0	0.0%
Chula Vista	9	5.8%	18	12.9%
Coronado	0	0.0%	0	0.0%
Del Mar	0	0.0%	0	0.0%
El Cajon	3	1.9%	0	0.0%
Encinitas	1	0.6%	0	0.0%
Escondido	14	9.1%	0	0.0%
Imperial Beach	0	0.0%	6	4.3%
La Mesa	5	3.2%	0	0.0%
Lemon Grove	2	1.3%	0	0.0%
National City	2	1.3%	15	10.7%
Oceanside	7	4.5%	0	0.0%
Poway	0	0.0%	0	0.0%
San Diego	100	64.9%	101	72.1%
San Marcos	3	1.9%	0	0.0%
Santee	1	0.6%	0	0.0%
Solana Beach	1	0.6%	0	0.0%
Unincorporated County	2	1.3%	0	0.0%
Vista	2	1.3%	0	0.0%
Region	**154**	**100.0%**	**140**	**100.0%**

Sources: R&R Stations - SANDAG ABM, Forecast Year 2025 No Build[1]; Major Transit Stops - SANDAG ABM, Forecast Year 2020[2]

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[1] SANDAG ABM, Forecast Year 2025 No Build, Release v14.0.1, Reference Scenario #242, January 2019.

[2] SANDAG ABM, Forecast Year 2020, Release v14.0.1, Reference Scenario #243, January 2019.

Jobs

Of the total housing units, 35% (60,090 units) will be allocated based on each jurisdiction's share of jobs in the region.

Data Source

The data source for the jobs component is the SANDAG Employment Estimates, which are also being used to develop the latest Regional Growth Forecast. SANDAG Employment Estimates are derived from Quarterly Census of Employment and Wages (QCEW) data from the Economic Development Department (EDD) and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES) data from the Center for Economic Studies at the U.S. Census Bureau. The LODES data combines federal, state, and Census Bureau survey data on employers and employees and SANDAG uses the QCEW dataset for its detailed geographic information on businesses to geolocate "job spaces" throughout the region. Then LODES data (average of the last five years), which are available at the census block level, are used to fill the job spaces to determine total jobs within various geographies. SANDAG Employment Estimates are also supplemented by other data sources including the San Diego Military Advisory Council (SDMAC) and Defense Manpower Data Center (DMDC). Of note, SDMAC and DMDC assign jobs associated with a Navy ship to the installation that is the ship's homeport. Finally, the jobs data are validated against published job totals for the County from the EDD Labor Market Information's yearly data.

The jobs data consists of all job types and includes jobs that are classified as a primary source of income, which can be part-time or full-time, year-round or seasonal. The data underlying the jobs component is included in Table 2.

Table 2: Jobs Data

Jurisdiction	Total Jobs	Regional Share (%)
Carlsbad	76,779	4.6%
Chula Vista	72,403	4.4%
Coronado	27,594	1.7%
Del Mar	4,484	0.3%
El Cajon	45,468	2.7%
Encinitas	27,871	1.7%
Escondido	55,059	3.3%
Imperial Beach	4,936	0.3%
La Mesa	29,773	1.8%
Lemon Grove	7,492	0.5%
National City	37,497	2.3%
Oceanside	45,178	2.7%
Poway	36,349	2.2%
San Diego	921,054	55.6%
San Marcos	40,964	2.5%
Santee	18,634	1.1%
Solana Beach	9,151	0.6%
Unincorporated County	154,686	9.3%
Vista	40,629	2.5%
Region	**1,656,001**	**100.0%**

Source: SANDAG Employment Estimates and/or SANDAG 2019
Regional Growth Forecast; U.S. Department of Defense

Equity Adjustment

In addition to distributing the RHNA Determination among jurisdictions, SANDAG must distribute units for each jurisdiction among the four income categories defined by HCD. Each income category is defined as a range of household incomes that represents a percentage of the area median income (AMI). The AMI for the San Diego region is $66,529, as provided by HCD. Table 3 provides the definition for each income category and the income ranges for San Diego region households per category.

Table 3: Income Categories

Income Category	Definition	Income Range*	Percent of Regional Households (RHNA Determination)
Very Low	Less than 50% of AMI	$33,259 or less	24.7%
Low	50-80% of AMI	$33,260 - $53,219	15.5%
Moderate	80-120% of AMI	$53,220 - $79,829	17.3%
Above Moderate	Over 120% of AMI	$79,830 or more	42.5%

Source: HCD Determination Letter; 2012-2016 American Community Survey 5-Year, DP03

Household income data was used to determine the number of households per category in each jurisdiction and subsequently each jurisdiction's percentage breakdown of households per category, which is included in Table 4. The jurisdictional percentages were then compared to the regional percentages for each income category to determine a multiplier, which is an "adjustment" toward the regional percentages.

A jurisdiction's multiplier for a given income category is applied to the total RHNA units allocated to the jurisdiction to determine how many of its total RHNA units are allocated to that income category.

Jurisdictions that have a higher percentage of existing households in a given income category than the region receive a downward adjustment toward the regional percentage, which results in a smaller share of the allocated housing units within that income category than if no adjustment were applied. Jurisdictions that have a lower percentage of households in a given income category than the region receive an upward adjustment toward the regional percentage, which results in a greater share of the allocated housing units within that income category than if no adjustment were applied.

Table 4: Households per Income Category

Jurisdiction	Total Households	Existing Households by Income Category							
		Very Low	%	Low	%	Moderate	%	Above Moderate	%
Carlsbad	42,926	6,981	16.3%	4,644	10.8%	5,940	13.8%	25,360	59.1%
Chula Vista	77,804	19,459	25.0%	11,987	15.4%	13,643	17.5%	32,715	42.0%
Coronado	8,986	1,506	16.8%	1,109	12.3%	1,442	16.1%	4,929	54.9%
Del Mar	2,258	430	19.0%	102	4.5%	248	11.0%	1,478	65.5%
El Cajon	32,937	12,434	37.8%	5,754	17.5%	5,615	17.0%	9,135	27.7%
Encinitas	23,695	4,287	18.1%	2,168	9.2%	3,182	13.4%	14,058	59.3%
Escondido	45,217	13,880	30.7%	8,239	18.2%	8,245	18.2%	14,853	32.8%
Imperial Beach	9,044	2,888	31.9%	2,105	23.3%	1,726	19.1%	2,325	25.7%
La Mesa	23,767	6,368	26.8%	4,468	18.8%	4,609	19.4%	8,322	35.0%
Lemon Grove	8,465	2,316	27.4%	1,643	19.4%	1,730	20.4%	2,776	32.8%
National City	15,870	6,436	40.6%	3,271	20.6%	2,848	17.9%	3,315	20.9%
Oceanside	61,480	16,148	26.3%	11,348	18.5%	11,297	18.4%	22,687	36.9%
Poway	15,797	2,418	15.3%	1,675	10.6%	2,281	14.4%	9,422	59.6%
San Diego	490,219	119,014	24.3%	75,283	15.4%	82,616	16.9%	213,305	43.5%
San Marcos	29,125	7,707	26.5%	4,212	14.5%	5,043	17.3%	12,163	41.8%
Santee	19,517	3,493	17.9%	2,812	14.4%	3,683	18.9%	9,528	48.8%
Solana Beach	5,750	883	15.4%	698	12.1%	854	14.9%	3,315	57.7%
Unincorporated County	159,642	35,996	22.5%	26,493	16.6%	27,598	17.3%	69,555	43.6%
Vista	30,629	9,016	29.4%	5,746	18.8%	6,112	20.0%	9,754	31.8%
Region	**1,103,128**	**271,661**	**24.6%**	**173,760**	**15.8%**	**188,713**	**17.1%**	**468,995**	**42.5%**

Source: 2012-2016 American Community Survey (ACS) 5-Year, B19001 "Household Income In The Past 12 Months (In 2016 Inflation-Adjusted Dollars)"

Table 5 below shows this inverse relationship by using plus (+) and minus (-) signs in the Adjustment (Adjust) column. The regional percentages of household per income category are included in the first row and shaded in blue. The jurisdictions' percentages of household per income category are included in the "Percent of Households" (% of HH) and shaded in grey.

Table 5: Determining an Equity Adjustment

Region	Very Low	24.7%	Low	15.5%	Moderate	17.3%	Above Mod.	42.5%
Jurisdiction	% of HH	Adjust.	% of HH	Adjust.	% of HH	Adjust.	% of HH	Adjust.
Carlsbad	16.3%	+	10.8%	+	13.8%	+	59.1%	-
Chula Vista	25.0%	-	15.4%	+	17.5%	-	42.0%	+
Coronado	16.8%	+	12.3%	+	16.1%	+	54.9%	-
Del Mar	19.0%	+	4.5%	+	11.0%	+	65.5%	-
El Cajon	37.8%	-	17.5%	-	17.0%	+	27.7%	+
Encinitas	18.1%	+	9.2%	+	13.4%	+	59.3%	-
Escondido	30.7%	-	18.2%	-	18.2%	-	32.8%	+
Imperial Beach	31.9%	-	23.3%	-	19.1%	-	25.7%	+
La Mesa	26.8%	-	18.8%	-	19.4%	-	35.0%	+
Lemon Grove	27.4%	-	19.4%	-	20.4%	-	32.8%	+
National City	40.6%	-	20.6%	-	17.9%	-	20.9%	+
Oceanside	26.3%	-	18.5%	-	18.4%	-	36.9%	+
Poway	15.3%	+	10.6%	+	14.4%	+	59.6%	-
San Diego	24.3%	+	15.4%	+	16.9%	+	43.5%	-
San Marcos	26.5%	-	14.5%	+	17.3%	+	41.8%	+
Santee	17.9%	+	14.4%	+	18.9%	-	48.8%	-
Solana Beach	15.4%	+	12.1%	+	14.9%	+	57.7%	-
Unincorporated	22.5%	+	16.6%	-	17.3%	+	43.6%	-
Vista	29.4%	-	18.8%	-	20.0%	-	31.8%	+

Source: 2012-2016 American Community Survey (ACS) 5-Year, B19001

Data Source

SANDAG used data from the 2012-2016 ACS 5-Year, Table B19001 "Household Income In The Past 12 Months (In 2016 Inflation-Adjusted Dollars)" to determine the jurisdictions' household breakdown among income categories. This dataset was also used by HCD to calculate the unit distribution across income category for the San Diego region's RHNA Determination.

Local Government Conditions

The methodology was developed with input and recommendation from the Board of Directors, RHNA Subcommittee (a subcommittee of the SANDAG Board), the Regional Planning Technical Working Group (including planning directors from each jurisdiction and housing stakeholders), the SANDAG Regional Planning Committee (a policy advisory committee of the Board), and public stakeholders. Several meetings were held with each stakeholder group and meetings were open to the public. Attendees at each meeting provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in their individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the process.

There was general consensus at the meetings that the approach chosen should keep the methodology simple and easy to explain to the public. Nuanced adjustments that may have modified the methodology in marginal ways in relation to the overall objectives and factors were discussed and considered. Factors and adjustments

that would have created a complicated formula, however, ultimately were not pursued since the methodology was developed with the intent to keep it transparent and understandable.

A discussion of each stakeholder group and their major contributions to the development of the methodology is included below.

Board of Directors

At its September 14, 2018, meeting, the Board was surveyed to determine each member jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The member jurisdictions requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members. The Board also directed the formation of a RHNA Subcommittee to review and provide input and guidance on potential policy and technical options for developing the RHNA methodology for allocation of housing units to each jurisdiction in the RHNA Plan. The Board received an update on the preliminary methodology in May 2019 and approved the release of the draft methodology for public comment at its July 26, 2019, meeting. The Board also conducted a public hearing for the draft methodology on September 6, 2019, and adopted the final methodology on November 22, 2019, following HCD's review.

Regional Housing Needs Assessment Subcommittee

In December 2018, the Board formed the RHNA Subcommittee, which was comprised of Board members from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. To develop its recommendation, the RHNA Subcommittee explored options for how to build consensus around a RHNA methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings prior to the Board releasing the draft methodology. All meetings were publicly noticed and open to the public. Critical direction provided by the RHNA Subcommittee included the following:

§ Create a narrative around housing that promotes regional unity in addressing the housing need

§ Establish a framework that incorporates transit and jobs to further the objective of increasing transit use, reducing vehicle miles traveled and GHG emissions, and relieving traffic congestion

§ Include an equity adjustment to ensure the allocation furthered fair housing and increased affordability in all cities and the County of San Diego

§ Evaluate opportunities for the military installations within the region to provide housing for military and their families

Regional Planning Technical Working Group

The TWG is a SANDAG working group that consists of the planning or community development director from each jurisdiction and representatives from other single-purpose regional agencies, such as the transit operators. The TWG advises the Regional Planning Committee and Board on the development and implementation of San Diego Forward: The 2021 Regional Plan, which includes, and must be consistent with, the RHNA plan. The TWG discussed and provided input on the development of the methodology at 11 meetings, including two workshops specifically focused on RHNA.

Information on local government conditions provided by TWG members included:

§ Preserved open space, agricultural lands, and airports and associated safety zones

- § Universities and community colleges

- § Military installations

- § Low-wage jobs

- § Voter requirements

Feedback provided by TWG members for which there was general consensus that was incorporated into the methodology included:

- § Prioritizing transit, with greater weight given to major transit investments (R&R stations) over local bus service

- § Improving the job-housing relationship

- § Encouraging the development of a mix of housing types across the region and addressing historical patterns of inequity in housing development

Regional Planning Committee

The Regional Planning Committee (RPC) is one of the SANDAG policy advisory committees, which provides oversight for the preparation and implementation of San Diego Forward: The 2021 Regional Plan. The RPC discussed the RHNA process at two of their meetings.

Information on local government conditions provided by RPC members included:

- § Airport safety zones

- § Housing development opportunities at major employment centers

- § Sea level rise

Feedback received from the RPC that informed the development of the methodology included:

- § Aligning priorities for the RHNA methodology with priorities adopted by jurisdictions through other planning efforts such as climate action plans

Regional Housing Needs Assessment Objectives and Factors

Objectives

The methodology and allocation further the five objectives listed in Government Code Section 65584.

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.*

   Per state law, the methodology allocates units in all four income categories to each of the region's 19 jurisdictions. The methodology does so equitably, ensuring each jurisdiction receives an allocation for low- and very low-income units, and further, allocating a higher share of low- and very-low units to jurisdictions that currently have a smaller share of low- and very low-income households than the regional share. State law requires jurisdictions to zone at higher densities to accommodate their low- and very low-income housing allocations. As jurisdictions plan for and build housing, the mix of housing types will increase.

2. *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's GHG gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.*

The methodology prioritizes transit and jobs to encourage efficient development patterns and reduce GHG emissions. By allocating housing units based on these two factors, SANDAG sets a guiding principle for local jurisdictions to zone and build housing near transit and jobs. Transit and job centers are located in the urbanized areas of the region. Therefore, an allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space. Because infill development does not rely on available space and can occur in areas that already have a dense population, the methodology supports provision of housing even in areas that are currently considered built-out.

SANDAG's GHG reduction target, as set by the California Air Resources Board, is to reduce the region's per capita emissions of GHG from cars and light trucks by 15% by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19% per capita. The methodology encourages the development of housing near jobs and transit, which will provide the region's residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes.

3. *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

SANDAG conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis shows that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in each jurisdiction.

The methodology allocates 35% of the 171,685-unit regional housing need based on each jurisdiction's share of existing regional total jobs to encourage development of housing near job centers so that jurisdictions can improve the jobs-housing relationship.

The methodology's Equity Adjustment (see Objective 4) also improves the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very low-income housing units to jurisdictions that currently have a smaller share of low-and very low-income households than the regional share.

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 ACS.*
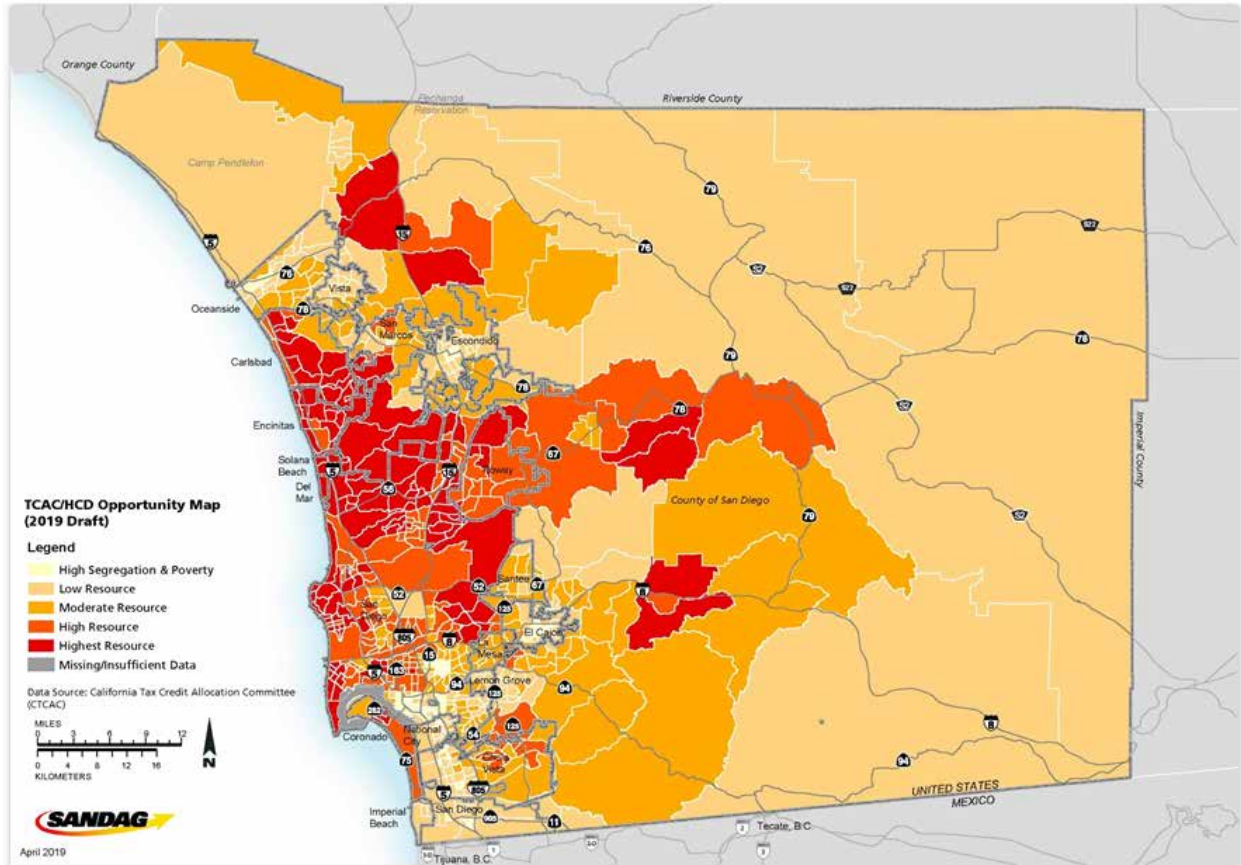
This objective guided the development of the Equity Adjustment used to ensure the methodology will result in allocation of housing units to each of the income categories. This adjustment results in a jurisdiction receiving a lower proportion of its total housing units within an income category when it has a higher share of households within that income category compared to the region. This method shifts units across income categories, rather than adding units to a jurisdiction's total housing unit allocation, allowing for a mix of housing types and affordability near transit and jobs.

5. *Affirmatively furthering fair housing. For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.*

During development of the methodology, SANDAG reviewed the California Tax Credit Allocation Committee (TCAC) 2019 Opportunity Map for the San Diego region. The TCAC map demonstrates how public and private resources are spatially distributed within the region. The map is part of a larger study that shows how communities with better air quality, higher educational attainment, and better economic indicators are communities that have higher "opportunity", or pathways that offer low-income children and adults the best chance at economic advancement. The study finds that historically communities with higher opportunity – through plans, policies, and practices – may have systematically denied equal opportunity to low socioeconomic and minority populations.

Areas of "low resource" and "high segregation & poverty" on the TCAC maps are also many of the same areas with a high concentration of low-income households in the San Diego region. The Equity Adjustment within the methodology addresses the disparities in access to resource-rich areas by providing housing opportunities for people in all income levels to reside in any given community. This is meant to foster and maintain compliance with civil rights and fair housing laws. The Equity Adjustment in the methodology also assists in overcoming patterns of discrimination and transforming racially and ethnically concentrated areas of poverty into areas of opportunity by allocating a higher proportion of low-income housing units to jurisdictions with a lower share of low-income households, which tend to be jurisdictions with a high concentration of resource-rich areas. The six jurisdictions that will receive the highest percentage of low- and very low- income housing units under the methodology also do not contain areas of high segregation and poverty or low resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions that currently have more area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty, generally receive a lower percentage of low- and very low-income housing units than the regional percentage.

California Tax Credit Allocation Committee Opportunity Map

Factors

In addition to furthering the objectives outlined above, state law requires that SANDAG consider several factors in the development of the methodology, to the extent sufficient data is available pertaining to each factor. See Government Code Section 65584.04(e). The RHNA factors and how each were considered in the development of the methodology are described below.

1. *Each jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.*

    The methodology prioritizes jobs as a factor in allocating the regional housing need. The jobs factor seeks to encourage development of housing near job centers so that jurisdictions can achieve greater jobs-housing balance. The jobs factor uses current data on existing jobs instead of a projection. Given the housing shortage within the region, it is critical that housing is built where existing jobs are located to begin to address the current jobs-housing imbalance. Although data for projected job and household growth by income level for the next Regional Plan update is not yet available, SANDAG used the most recent readily available data for projected job growth and projected household growth by income level within each member jurisdiction to conduct its analysis.

SANDAG analyzed the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in each jurisdiction. The methodology is expected to increase the supply of affordable housing by allocating each jurisdiction low- and very low-income housing units. The methodology's Equity Adjustment (see Objective 4) also should improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very low-income housing units to jurisdictions that currently have a smaller share of low- and very low-income households than the regional share.

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.*

    SANDAG notes that general plans for some jurisdictions may account for constraints to housing development arising from lack of capacity for sewer or water service. For example, rural areas may rely more heavily on well water and septic systems, which constrains housing development due to lack of sufficient infrastructure. For the methodology, however, the transit factor allocates housing units based on each jurisdiction's share of regional rail and Rapid bus stations as well as major transit stops. Rail and Rapid bus stations are located in the region's more developed areas where land uses generate enough ridership to support the investment to the transit infrastructure. Major transit stops also are located in the region's urbanized areas and surrounded by land uses that support higher service frequencies. By prioritizing transit connectivity, the methodology encourages infill development in urban areas that are likely to have existing capacity for sewer or water service.

    b. *The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency 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.*

    The methodology is not constrained by existing zoning ordinances and land use restrictions. Instead the methodology prioritizes transit and jobs, which aligns with several beneficial land use planning principles, such as promoting infill and increasing residential densities. 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 are accounted for due to the methodology's use of the jobs and transit factors. When development of housing is promoted near transit and jobs in areas that are already more densely populated and developed than other areas of each jurisdiction, it allows the jurisdictions to focus on infill development that can occur without reliance on the availability of additional land, but instead on underutilized land that can be converted to uses that allow for increased residential density.

The transit factor allocates housing units based on each jurisdiction's share of regional rail and Rapid bus stations as well as major transit stops. Rail and Rapid bus stations are located in the region's urbanized areas where land uses generate enough ridership to support the investment to the transit infrastructure. Major transit stops are also located in the region's urbanized areas and surrounded by land uses that support higher service frequencies. By prioritizing transit, the methodology encourages infill development in areas that are suitable for urban development. A transit-focused methodology also promotes increased densities as jurisdictions must plan for housing in urban areas already served by high quality transit.
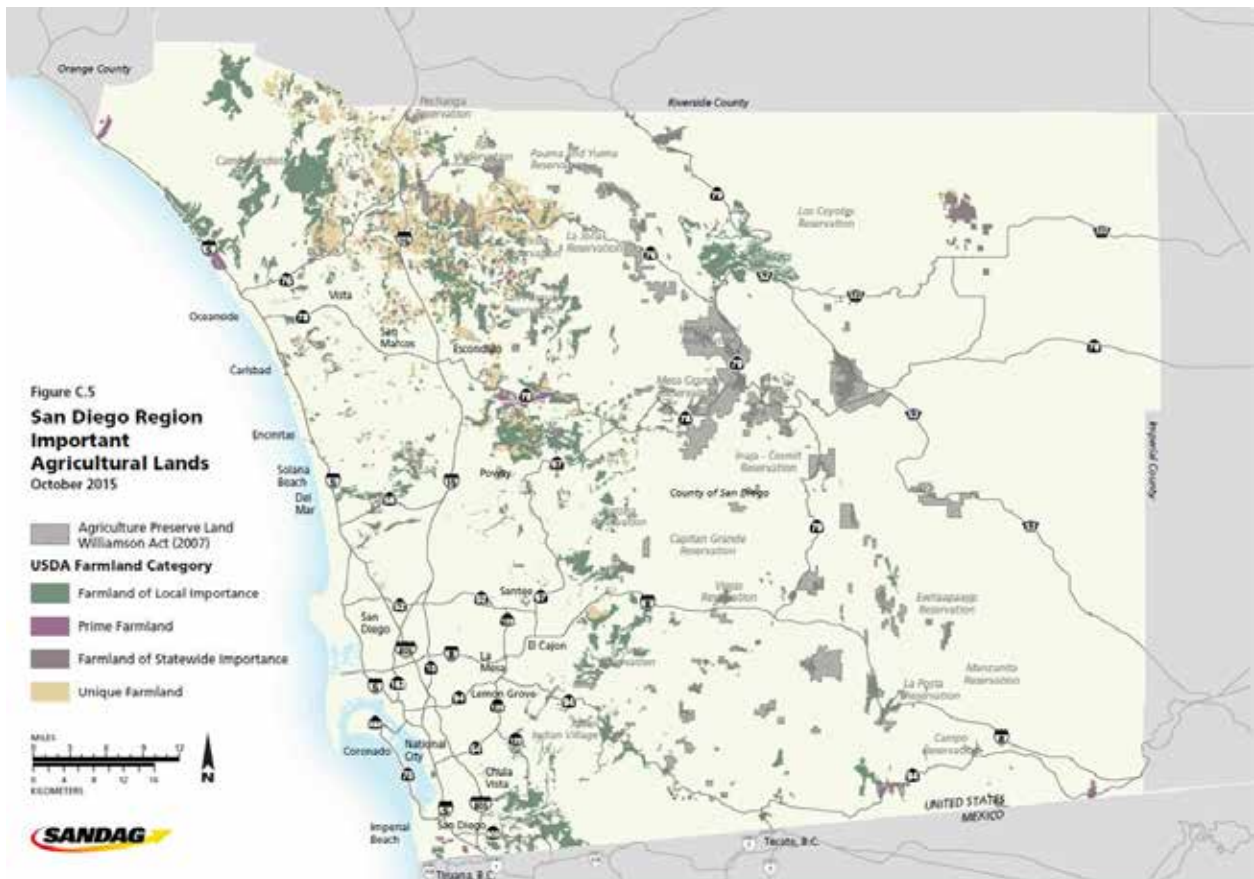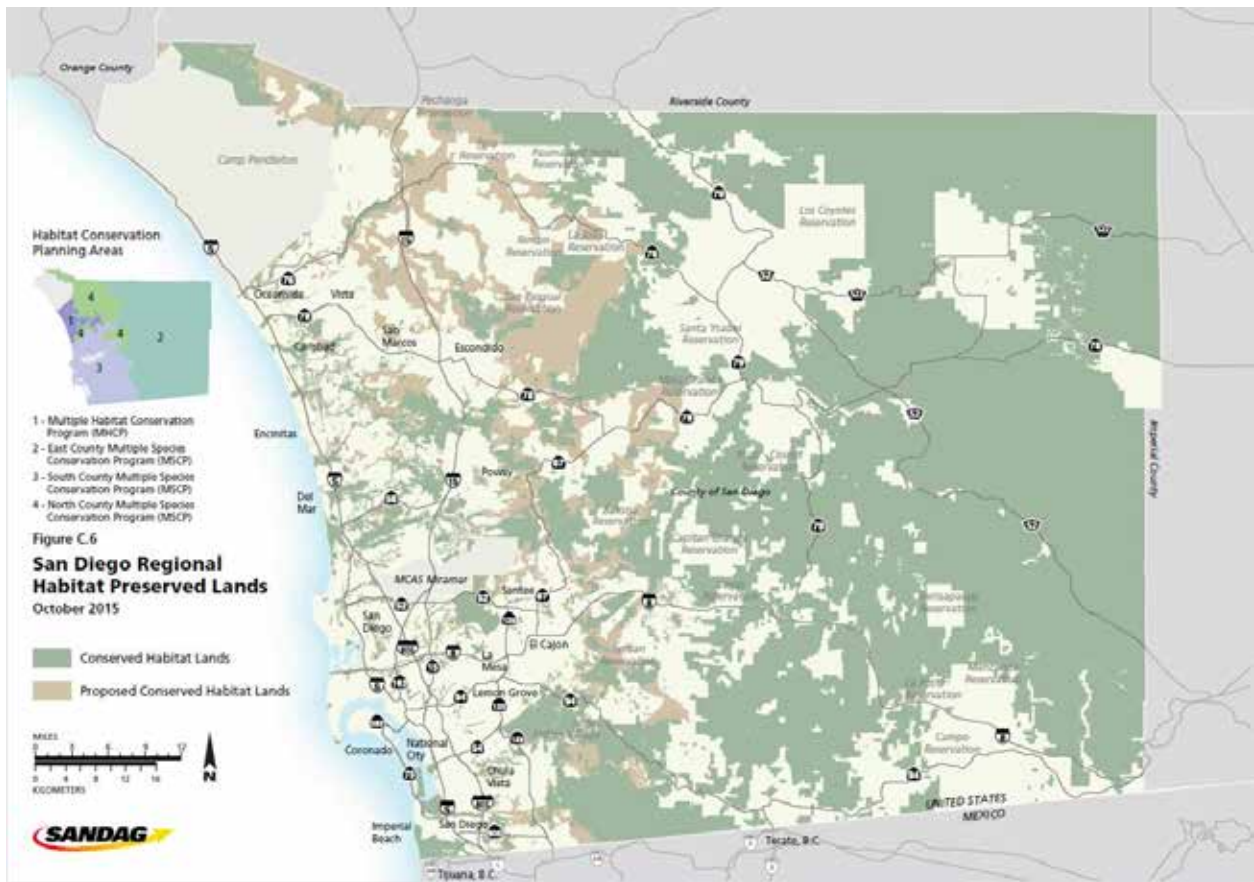
The methodology aligns with the region's priorities for growth. As shown in Figure 3.1, general plans in the San Diego region have focused growth and development in existing urban areas, preserved more land for habitat and open space, and looked to accommodate more housing near transit and key destinations.

Figure 3.1: Priorities for Growth Then and Now
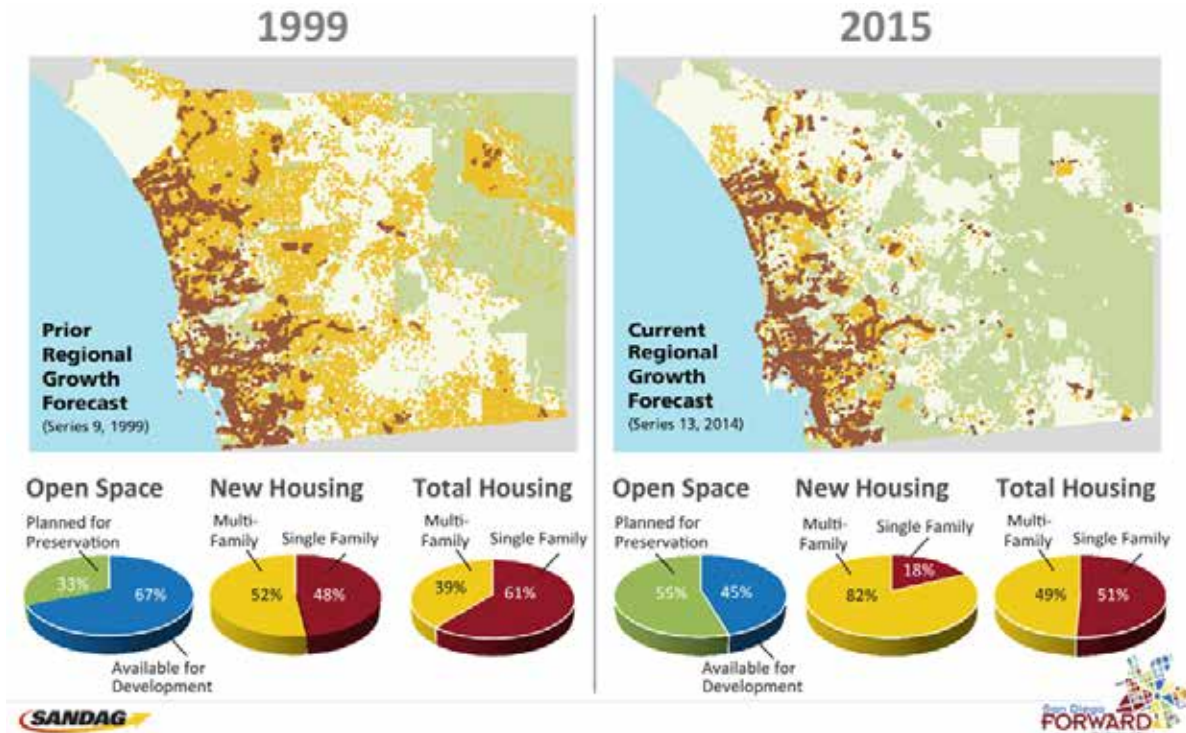
c. *Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.*

General plans for individual jurisdictions may account for constraints to housing development arising from lands preserved or protected from urban development under existing federal or state programs. As shown in the figures below though, preserved land, farmland, and habitats are primarily in the eastern portion of San Diego County. The methodology focuses housing units in areas with access to transit and jobs, which are located in existing urbanized areas. Therefore, the methodology will not encourage encroachment upon open space areas.

Figure C.6

San Diego Regional Habitat Preserved Lands
October 2015

Figure C.5

San Diego Region Important Agricultural Lands
October 2015

d. *County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.*

The County of San Diego General Plan accounts for some constraints to housing development arising from policies to preserve prime agricultural land and incorporates local ballot measure provisions prohibiting or restricting the conversion of agricultural to non-agricultural uses. The methodology allocates housing units based on access to jobs and transit, which are located in existing urbanized areas. Therefore, this constraint is not expected to impact the methodology's capacity to allow for development of additional housing.

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

As shown in Figure 3.1, plans for growth are focused on the urbanized areas of the region. The methodology prioritizes transit as a factor – specifically high-quality transit, which is located in the urbanized areas. The emphasis on transit allows local jurisdictions that have invested in transit the opportunity to maximize the use of existing transportation infrastructure.

4. *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to non-agricultural uses.*

Regional planning undertaken by SANDAG and its member agencies during the past 15 to 20 years, has focused the region's growth in the western third of the region, primarily in its incorporated cities and near transit service (Figure 3.1). SANDAG has funded "smart growth" grants to encourage growth in incorporated areas of the county with sufficient density to support transit-oriented development. Consistent with this, the methodology prioritizes transit and jobs. High-quality transit service and a high concentration of the region's jobs are located in the urbanized, incorporated areas of the region. Thus, the methodology is consistent with agreements between SANDAG, the County of San Diego, and the cities to develop public transportation infrastructure and supporting land uses away from areas that are zoned or designated for agricultural protection or preservation. Interjurisdictional agreements may account for some development constraints; however, those agreements are not expected to be in conflict with the methodology due to the prioritization of transit and jobs.

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

The data for these units is not readily available and varies by jurisdiction. The loss of assisted housing developments for lower income households is an issue that should be addressed by the jurisdictions when preparing their housing elements.

6. *The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30% and more than 50% of their income in rent.*

This factor was not included in state law at the time the HCD was making its determination on the regional housing need of the San Diego region, and sufficient data for this factor is not readily available. The San Diego region received its largest RHNA Determination this cycle, however, and it is expected that an influx of housing units in each income category will help alleviate the rent burden in the region.

7. *The rate of overcrowding.*

HCD used the 2012-2016 ACS to determine the rate of overcrowding in the San Diego region when making its RHNA Determination. HCD then compared the San Diego region's overcrowding rate (6.43% of all households) to the national rate (3.34% of all households). To address the needs of overcrowding in the region, HCD's RHNA Determination included an overcrowding adjustment of 3.09%, which added 38,700 housing units to the regional housing need to alleviate overcrowding in the region. Thus, this factor has already been accounted for in the methodology.

8. *The housing needs of farmworkers.*

The methodology prioritizes jobs as a factor in allocating the regional housing need. Farmworkers are included in the data on existing jobs. Therefore, their housing needs along with the housing needs of all the region's workers are considered.

The methodology increases the supply of affordable housing by allocating each jurisdiction low- and very low-income housing units. The methodology's Equity Adjustment (see Objective 4) also improves the balance between the number of low-wage jobs, including farming jobs, and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very low-income housing units to jurisdictions that currently have a smaller share of low-and very low-income households than the regional share. Although the low-income housing needs of farmworkers are unique given their low wages and job locations, the allocation expected from the methodology is expected to provide more low-income housing in every jurisdiction and accordingly should provide farmworkers the ability to live in more areas of the region and commute shorter distances to their seasonal jobs.

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

The major universities and community colleges in the San Diego region are located in urban areas served by the existing transportation network. The City of San Diego is home to San Diego State University; University of California San Diego; University of San Diego; Point Loma Nazarene University; various smaller, private universities; and three community colleges: San Diego City College, San Diego Mesa College, and San Diego Miramar College. It also has the greatest share of the region's transportation system in part because of transportation investments near universities and colleges located within its jurisdiction.

Similarly, the cities of Chula Vista (Southwestern Community College), El Cajon (Cuyamaca College), Oceanside (Mira Costa College), and San Marcos (California State University San Marcos and Palomar College) have made transportation investments to improve access to transit near colleges and universities. By prioritizing transit, the methodology encourages housing development near existing transit and the key destinations that transit links, including the region's universities and colleges. The methodology will result in additional housing units being allocated based on transit. This will help these jurisdictions address the housing needs of students, faculty, and staff beyond what these colleges or universities may provide.

10. *The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.*

Jurisdictions report demolished units to the Department of Finance on an annual basis. Demolished units include those lost during a state of emergency. Between 2011 and 2018, states of emergency in the San Diego region declared by the Governor pursuant to the California Emergency Services Act, and in

which homes were lost, include the following wildfires: the 2014 wildfires (Cocos Fire and Poinsettia Fire), 2017 Lilac Fire, and 2018 West Fire.

HCD analyzed the most recent ten-year average rate of demolition within the San Diego region based on jurisdictions' annual reports to the Department of Finance. The ten-year average rate of demolition in the San Diego region is 0.32% of the total housing stock. The RHNA Determination included HCD's minimum replacement adjustment of 0.5%, which exceeds the region's demolition rate. This adjustment added 6,255 housing units to the RHNA Determination. SANDAG does not have readily available data broken down by jurisdiction to use for this factor and has therefore relied on HCD's data and adjustment to address this factor at a regional level.

11. *The region's GHG emissions targets provided by the State Air Resources Board pursuant to Section 65080.*

SANDAG's GHG reduction target, as set by the California Air Resources Board, is to reduce the region's per capita emissions of GHG from cars and light trucks by 15% by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19% per capita. The methodology encourages the development of housing near jobs and transit, which will provide the region's residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce GHG emissions, and increase trip-taking by transit or alternative modes.

12. *Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.*

No other factors were included in the methodology.

Appendix

1. Supplemental Information dated August 23, 2019

2. Frequently Asked Questions dated September 5, 2019

3. Response to Public Comments on Draft Methodology

4. HCD Letter dated November 1, 2019

Regional Housing Needs Assessment:
Response to Board Requests – August 23, 2019

On July 26, 2019, the Board of Directors released for public comment a draft methodology for the 6th Cycle Regional Housing Needs Assessment (RHNA). The estimated allocation based upon the draft methodology is shown in Table 1. The estimated allocation is subject to changes if the draft methodology is modified by the Board of Directors due to comments from the public or the review for consistency with RHNA laws that will be performed by the California Department of Housing and Community Development. The RHNA laws can be found in the California Government Code starting at Section 65584.

Table 1: Estimated Allocation Per Income Category based on the Draft 6th Cycle RHNA Methodology

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total Estimated Allocation
Carlsbad	1,311	784	749	1,029	3,873
Chula Vista	2,750	1,777	1,911	4,667	11,105
Coronado	343	185	174	299	1,001
Del Mar	37	64	31	31	163
El Cajon	481	414	518	1,867	3,280
Encinitas	469	369	308	408	1,554
Escondido	1,864	1,249	1,527	4,967	9,607
Imperial Beach	233	127	190	825	1,375
La Mesa	859	487	577	1,874	3,797
Lemon Grove	295	166	193	705	1,359
National City	645	506	711	3,575	5,437
Oceanside	1,268	718	883	2,574	5,443
Poway	468	268	241	342	1,319
San Diego	27,510	17,311	19,297	43,783	107,901
San Marcos	728	530	542	1,316	3,116
Santee	406	200	188	425	1,219
Solana Beach	316	159	160	240	875
Unincorporated County	1,834	992	1,165	2,709	6,700
Vista	515	321	369	1,356	2,561
Region (Totals)	42,332	26,627	29,734	72,992	171,685

Several SANDAG Board members requested that staff provide additional information during the public comment period on potential modifications to the draft methodology. These requests pertain to the following topics:

1. Equal Weighting to Transit and Jobs Component
2. High Frequency Transit Stop Dataset
3. Increase Equity Adjustment

A description of each request, how each may or may not further the objectives in state law, and how each would change the estimated allocation are included below.

Several SANDAG Board members requested staff apply a methodology that recognizes challenges for small cities by potentially reducing the number of housing units in small cities. SANDAG staff consulted with the California Department of Housing Community Development (HCD) on the potential for small cities to receive a reduced allocation. HCD expressed concerns about an adjustment based on the size of a city rather than being an alteration to the methodology driven by data showing that the adjustment would further the objectives in RHNA law. HCD advised that such an adjustment would be seen as a red flag in the methodology that would likely lead to a negative response. HCD suggested that a small cities adjustment would not be justifiable or consistent with RHNA laws. Therefore, a description of a small cities' adjustment is not included in the information below.

Request #1: Equal Weighting to Transit and Jobs Component

More than one SANDAG Board member requested that staff apply a methodology that would weigh the transit and jobs components equally such that each would allocate 50 percent of the RHNA Determination (171,685 housing units). Table 2 shows an estimated allocation based on this request. Since 171,685 housing units cannot be split evenly, the component with one more housing unit is the jobs component.

Considerations

Providing equal weighting to the transit and jobs components could meet the objectives in state law as both the transit and jobs components can lead to reduced greenhouse gas reductions, promote infill development, and provide a mix of housing types to all jurisdictions.

Table 2: Estimated Allocation based on Request #1: Equal Weighting to Transit and Jobs Component

Jurisdiction	Transit Weighting: 50%	Jobs Weighting: 50%	Total Estimated Allocation	Difference from Draft Methodology
Carlsbad	836	3,980	4,816	943
Chula Vista	6,522	3,753	10,275	(830)
Coronado	-	1,430	1,430	429
Del Mar	-	232	232	69
El Cajon	1,254	2,357	3,611	331
Encinitas	418	1,445	1,863	309
Escondido	5,853	2,854	8,707	(900)
Imperial Beach	920	256	1,176	(199)
La Mesa	2,090	1,543	3,633	(164)
Lemon Grove	836	388	1,224	(135)
National City	3,135	1,944	5,079	(358)
Oceanside	2,926	2,342	5,268	(175)
Poway	-	1,884	1,884	565
San Diego	57,290	47,747	105,037	(2,864)
San Marcos	1,254	2,123	3,377	261
Santee	418	966	1,384	165
Solana Beach	418	474	892	17
Unincorporated County	836	8,019	8,855	2,155
Vista	836	2,106	2,942	381
Region (Totals)	85,842	85,843	171,685	-

Request #2: High Frequency Transit Stop Dataset

One SANDAG Board member requested that staff apply a methodology that uses "high frequency transit stops" instead of "major transit stops" to calculate the proximity to transit component. The definitions for "high frequency transit stops" and "major transit stops" are included below.

- High Frequency Transit (HFT) Stops: Stops or stations served by high frequency transit as defined as local bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

- Major Transit Stops: The intersection of two or more major local bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

The high frequency transit stops and major transit stops data are included in Table 3 for reference. Table 4 shows an estimated allocation based on this request.

Considerations

Using high frequency transit stops instead of major transit stops to calculate the proximity to transit component could meet the objectives in state law, as housing units would be allocated to areas with access to transit. Major transit stops are recognized in state law as places where development can occur with fewer environmental impacts including fewer vehicle miles traveled. For these reasons, the use of major transit stops was recommended by both the RHNA Subcommittee and the Regional Planning Technical Working Group.

Table 3: Transit Data – High Frequency Transit and Major Transit Stops

Jurisdiction	High Frequency Transit Stops	Share of High Frequency Stops	Major Transit Stops	Share of Major Transit Stops
Carlsbad	-	-	-	-
Chula Vista	126	11.07%	18	12.86%
Coronado	29	2.55%	-	-
Del Mar	-	-	-	-
El Cajon	22	1.93%	-	-
Encinitas	-	-	-	-
Escondido	-	-	-	-
Imperial Beach	26	2.28%	6	4.29%
La Mesa	7	0.62%	-	-
Lemon Grove	-	-	-	-
National City	78	6.85%	15	10.71%
Oceanside	41	3.60%	-	-
Poway	-	-	-	-
San Diego	789	69.33%	101	72.14%
San Marcos	-	-	-	-
Santee	-	-	-	-
Solana Beach	-	-	-	-
Unincorporated County	9	0.79%	-	-
Vista	11	0.97%	-	-
Region (Totals)	1,138	100%	140	100%

Table 4: Estimated Allocation based on Request #2: High Frequency Transit Stops Data Set

Jurisdiction	Transit Weighting: 65%	Jobs Weighting: 35%	Total Estimated Allocation	Difference from Draft Methodology
Carlsbad	1,087	2,786	3,873	-
Chula Vista	7,980	2,627	10,607	(498)
Coronado	711	1,001	1,712	711
Del Mar	-	163	163	-
El Cajon	2,170	1,650	3,820	540
Encinitas	543	1,011	1,554	-
Escondido	7,609	1,998	9,607	-
Imperial Beach	637	179	816	(559)
La Mesa	2,889	1,080	3,969	172
Lemon Grove	1,087	272	1,359	-
National City	2,999	1,361	4,360	(1,077)
Oceanside	4,810	1,639	6,449	1,006
Poway	-	1,319	1,319	-
San Diego	73,692	33,423	107,115	(786)
San Marcos	1,630	1,486	3,116	-
Santee	543	676	1,219	-
Solana Beach	543	332	875	-
Unincorporated County	1,308	5,613	6,921	221
Vista	1,357	1,474	2,831	270
Region (Totals)	111,595	60,090	171,685	-

Request #3: Increase Equity Adjustment

A SANDAG Board member requested that staff apply a methodology that intensifies the equity adjustment. The equity adjustment increases a jurisdiction's share of its housing allocation in an income category where the jurisdiction has a smaller share of households in that category than the region and vice versa. A potential application of this request could apply a 20 percent weighting to the equity adjustment to increase the relative difference between a jurisdiction's share and the region's share, therefore, amplifying the effect.

To demonstrate how an increase to the equity adjustment might be accomplished, a weight of 20 percent was chosen to intensify the effects of the equity adjustment while still allowing for an allocation that improves the mix, tenure, and affordability of housing in each jurisdiction, as required in Government Code Section 65584.

Table 5 shows an estimated allocation based on this request, which assigns a weighting of 20 percent to the equity adjustment.

Considerations

Using a 20 percent weighting to the equity adjustment could meet the objectives in state law. State law objectives for RHNA include promotion of socioeconomic equity and allocation of a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income area compared to the countywide distribution in that category.

Table 5: Estimated Allocation based on Request #3: Increased Equity Adjustment

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total Estimated Allocation
Carlsbad	1,385	819	793	876	3,873
Chula Vista	1,939	1,858	1,347	5,961	11,105
Coronado	365	195	185	256	1,001
Del Mar	39	65	33	26	163
El Cajon	312	265	505	2,198	3,280
Encinitas	495	386	325	348	1,554
Escondido	1,314	871	1,077	6,345	9,607
Imperial Beach	157	84	128	1,006	1,375
La Mesa	614	344	412	2,427	3,797
Lemon Grove	209	115	136	899	1,359
National City	421	326	463	4,227	5,437
Oceanside	917	513	638	3,375	5,443
Poway	494	280	254	291	1,319
San Diego	29,926	18,619	20,993	38,363	107,901
San Marcos	482	520	538	1,576	3,116
Santee	462	226	142	389	1,219
Solana Beach	334	167	169	205	875
Unincorporated County	2,107	751	1,338	2,504	6,700
Vista	360	223	258	1,720	2,561
Region (Totals)	42,332	26,627	29,734	72,992	171,685

Regional Housing Needs Assessment:
Frequently Asked Questions

1. **What data and assumptions did SANDAG rely on in developing the draft RHNA methodology?**

   SANDAG relied on the data it maintains on jobs, housing and transportation for the region and on data provided by the jurisdictions, community based organizations, and the public during the many public meetings it held on the topic of the RHNA Plan. The information relied upon is described in the draft methodology for the 6th Cycle Regional Housing Needs Assessment (RHNA).

2. **Do the RHNA laws require that SANDAG have a public comment period on the draft RHNA methodology that lasts for a particular number of days?**

   No. Although prior versions of the RHNA laws contained a particular number of days, the section of the law that provides for a public comment period (Section 65584.04(d)) no longer requires that the comment period last for a particular length of time.

3. **Why isn't the breakdown (or allocation) of RHNA units to each city included in the draft methodology?**

   Housing law provides two separate approval processes for the methodology and the allocation, which is why the allocation is not included in the methodology document. Following the Board of Director's adoption of a methodology, the draft allocation will be distributed to the jurisdictions consistent with Section 65584.05.

4. **Can SANDAG decide on a number of housing units to allocate to jurisdictions first and then back into a methodology that results in the predetermined number of units?**

   No. This is not the way the Legislature designed the RHNA laws. SANDAG is required to determine the methodology first using the factors and objectives in Sections 65584 and 65584.04. Then, after SANDAG submits the methodology to the California Department of Housing and Community Development and adopts the final methodology, SANDAG is required to distribute the allocations to the jurisdictions pursuant to Section 65584.05. The methodology and allocation procedures are separated into different statutes with two different review processes. Right now, SANDAG is in the RHNA Plan phase of determining the methodology, not the allocation.

5. **Can SANDAG limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality?**

   No. See Section 65584.04(e)(2)(B).

6. **When developing the methodology can SANDAG consider a jurisdiction's ordinances, policies, voter-approved measures or standards that directly or indirectly limits the number of residential building permits issued?**

   No. See Section 65584.04(g)(1).

7. **Can a jurisdiction's prior inability to meet its RHNA allocation numbers in a prior RHNA cycle be taken into consideration when SANDAG is preparing its methodology?**

No. See Section 65584.04(g)(2).

8. **Can information received by SANDAG from a local government be used as a basis for reducing the total housing need established for the region?**

No. See Section 65584.04(b)(4). The regional housing need (also known as the RHNA Determination) for the San Diego region is 171,685 housing units. It was determined by the Department of Housing and Community Development in consultation with SANDAG and cannot be changed. The Board of Directors voted to accept the HCD RHNA Determination at its June 8, 2018, meeting.

9. **Can SANDAG take Federal Emergency Management Agency (FEMA) or Department of Water Resources information regarding areas subject to flooding into consideration when determining what land is suitable for urban development?**

Yes. See Section 65584.04 (e)(2)(B). SANDAG reviewed FEMA data on flood plains to determine the acreage of floodplain land areas in each jurisdiction as a share of the jurisdiction's land acres. The table below shows the percentage of land acres within a flood plain. With the exception of the cities of Del Mar and Imperial Beach, the acreage of land at risk of flooding in each jurisdiction makes up less than ten percent of the jurisdiction's land acres. Following allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider limitations such as risk of flooding when planning for where housing can be accommodated.

Jurisdiction	Total Acres	Land Acres	Land Acres in Flood Plain	% of Land Acres in a Flood Plain
Carlsbad	25,028	24,189	1,202	5.0%
Chula Vista	33,354	31,967	1,629	5.1%
Coronado	9,021	5,132	168	3.3%
Del Mar	1,144	1,078	397	36.8%
El Cajon	9,303	9,303	161	1.7%
Encinitas	12,531	12,292	752	6.1%
Escondido	23,971	23,905	714	3.0%
Imperial Beach	2,842	2,797	868	31.0%
La Mesa	5,783	5,783	15	0.3%
Lemon Grove	2,504	2,504	51	2.0%
National City	5,908	4,801	387	8.1%
Oceanside	26,991	26,909	1,339	5.0%
Poway	25,039	25,037	708	2.8%
San Diego	219,200	210,757	15,611	7.4%
San Marcos	15,595	15,595	646	4.1%
Santee	10,686	10,686	539	5.0%
Solana Beach	2,184	2,181	37	1.7%
Unincorporated County	2,283,964	2,276,211	54,183	2.4%
Vista	11,944	11,944	267	2.2%
Region (Totals)	2,726,992	2,703,071	79,674	2.9%

10. **Can SANDAG consider factors to develop the methodology that are not specifically listed as factors in the RHNA laws?**

   Yes, as long as the factor considered will still further the objectives in Section 65584(d)~~,~~; if the additional factor is unrelated to the objectives in state law, then the Board of Directors must establish that the additional factor does not undermine the objectives in state law, the factor is applied equally across all household income levels, and ~~SANDAG can make a finding that the factor~~ it is necessary to address significant health and safety conditions. See Section 65584.04(e)(12).

11. **Can SANDAG take sea level rise into consideration when determining what land is suitable for urban development?**

   Sea level rise is not specifically included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. The Board of Directors, at its discretion, may pursue sea level rise as a factor pursuant to Government Code Section 65584.04(e)(12). See response to Question 9.

12. **What data and methodology were used to determine the health and safety impacts caused by increased urban development and traffic/congestion/safety/air quality to the jurisdictions?**

   The draft methodology does not include this factor and it is not required to do so by RHNA laws; however, the Board of Directors, at its discretion, may pursue additional factors pursuant to Government Code Section 65584.04(e)(12). See response to Question 9. SANDAG has included promotion of achievement of the region's greenhouse gas reduction target into the draft methodology as required by Section 65584(d)(5).

13. **What data and methodology were used to determine that military housing was not considered in the equation?**

   At its July 26, 2019, meeting, the Board of Directors voted to release a draft methodology for public comment that does not include an adjustment for housed military in the jobs data. The Board's deliberations and reasoning can be heard by listening to the audio recording of the meeting (Item 23).

14. **What data and methodology were used to determine if the transit system in Coronado would facilitate shorter commutes considering SANDAG's regional mass transit plan is not a viable system that facilitates shorter commutes in and out of Coronado to job sites scattered throughout the San Diego Region?**

   The draft methodology uses existing rail & *Rapid* stations and major transit stops as part of the transit component. Based on the definitions of these transit services, Coronado does not have any rail, *Rapid,* or major transit stops within its boundaries and, therefore, does not receive a housing allocation based on the transit component.

15. **<u>*NEW*</u> How is the equity adjustment calculated?**

   In calculating the equity adjustment, a jurisdiction's share of households in an income category is compared to the region's share of households in the same income category by determining the relative difference between the two percentages. The relative difference is found by taking the inverse ratio of a jurisdiction's share of households within an income category to the region's share. See formula below, with the very low income category as an example.

= 1/ (Jurisdiction's Percent of Very Low Households / Regional Percent of Very Low Households)

The relative difference is used as a scaling factor that adjusts the region's percentage of households in an income category (e.g. 24.7 percent for very low income) and uses this adjusted percentage as the jurisdiction's share of its housing allocation for that income category. Table 5 demonstrates how the equity adjustment works. In the table, a scaling factor greater than one causes an upward adjustment and a scaling factor less than one causes a downward adjustment. The percentage being adjusted is the region's share of households in the income category, which also is the regional housing allocation for the income category as determined by HCD. This is included in the top row of Table 1.

The equity adjustment increases a jurisdiction's share of its housing allocation in an income category if the jurisdiction has a smaller share of households in that category than the region. Conversely, the adjustment decreases a jurisdiction's share of its housing allocation in an income category if the jurisdiction has a greater share of households in that category than the region. In this way, the equity adjustment seeks to increase jurisdictions' mix of housing (housing for each income category) and combat historical patterns of segregation. Below are two examples of how the equity adjustment in the draft methodology is applied to the cities of Carlsbad and National City, chosen for comparison purposes.

Example A

In Carlsbad, 16.3 percent of households are very low income. In the region, 24.7 percent of households are very low income. Carlsbad's share of very low income households is less than the region's. This means, using the equity adjustment in the draft methodology, Carlsbad receives a greater share (greater than 24.7 percent) of its housing unit allocation in the very low income category. In fact, 37.4 percent of Carlsbad's housing units are in the very low income category.

Example B

Conversely, 40.6 percent of households in National City are very low income. This is much greater than the region's 24.7 percent of households. Therefore, based on the equity adjustment in the draft methodology, National City receives a smaller share (less than 24.7 percent) of its housing unit allocation in the very low income category. Only 15 percent of National City's housing units are in the very low income category.

Table 1: Equity Adjustment Calculation

RHNA Determination	Very Low	24.7%		Low	15.5%		Moderate	17.3%		Above Moderate	42.5%	
Jurisdiction	% Households	Scaling Factor (↑ or ↓ adjustment)	% Housing Allocation	% Households	Scaling Factor (↑ or ↓ adjustment)	% Housing Allocation	% Households	Scaling Factor (↑ or ↓ adjustment)	% Housing Allocation	% Households	Scaling Factor (↑ or ↓ adjustment)	% Housing Allocation
Carlsbad	16.3%	1.52 ↑	37.4%	10.8%	1.43 ↑	22.2%	13.8%	1.25 ↑	21.7%	59.1%	0.72 ↓	30.6%
Chula Vista	25.0%	0.99 ↓	24.3%	15.4%	1.01 ↑	15.6%	17.5%	0.99 ↓	17.1%	42.0%	1.01 ↑	43.0%
Coronado	16.8%	1.47 ↑	36.3%	12.3%	1.26 ↑	19.5%	16.1%	1.08 ↑	18.7%	54.9%	0.78 ↓	33.0%
Del Mar	19.0%	1.29 ↑	31.9%	4.5%	3.44 ↑	53.3%	11.0%	1.58 ↑	27.3%	65.5%	0.65 ↓	27.6%
El Cajon	37.8%	0.65 ↓	16.1%	17.5%	0.89 ↓	13.8%	17.0%	1.02 ↑	17.6%	27.7%	1.53 ↑	65.2%
Encinitas	18.1%	1.36 ↑	33.6%	9.2%	1.69 ↑	26.3%	13.4%	1.29 ↑	22.3%	59.3%	0.72 ↓	30.5%
Escondido	30.7%	0.80 ↓	19.8%	18.2%	0.85 ↓	13.2%	18.2%	0.95 ↓	16.4%	32.8%	1.29 ↑	55.0%
Imperial Beach	31.9%	0.77 ↓	19.0%	23.3%	0.67 ↓	10.3%	19.1%	0.91 ↓	15.7%	25.7%	1.65 ↑	70.3%
La Mesa	26.8%	0.92 ↓	22.7%	18.8%	0.82 ↓	12.8%	19.4%	0.89 ↓	15.5%	35.0%	1.21 ↑	51.6%
Lemon Grove	27.4%	0.90 ↓	22.2%	19.4%	0.80 ↓	12.4%	20.4%	0.85 ↓	14.7%	32.8%	1.30 ↑	55.1%
National City	40.6%	0.61 ↓	15.0%	20.6%	0.75 ↓	11.7%	17.9%	0.96 ↓	16.7%	20.9%	2.04 ↑	86.5%
Oceanside	26.3%	0.94 ↓	23.1%	18.5%	0.84 ↓	13.0%	18.4%	0.94 ↓	16.3%	36.9%	1.15 ↑	49.0%
Poway	15.3%	1.61 ↑	39.7%	10.6%	1.46 ↑	22.7%	14.4%	1.20 ↑	20.8%	59.6%	0.71 ↓	30.3%
San Diego	24.3%	1.02 ↑	25.0%	15.4%	1.01 ↑	15.7%	16.9%	1.03 ↑	17.8%	43.5%	0.98 ↓	41.5%
San Marcos	26.5%	0.93 ↓	23.0%	14.5%	1.07 ↑	16.6%	17.3%	1.00 ↑	17.3%	41.8%	1.02 ↑	43.3%
Santee	17.9%	1.38 ↑	34.0%	14.4%	1.08 ↑	16.7%	18.9%	0.92 ↓	15.9%	48.8%	0.87 ↓	37.0%
Solana Beach	15.4%	1.61 ↑	39.6%	12.1%	1.28 ↑	19.8%	14.9%	1.17 ↑	20.2%	57.7%	0.74 ↓	31.4%
Unincorporated County	22.5%	1.09 ↑	27.0%	16.6%	0.93 ↓	14.5%	17.3%	1.00 ↑	17.4%	43.6%	0.98 ↓	41.5%
Vista	29.4%	0.84 ↓	20.7%	18.8%	0.83 ↓	12.8%	20.0%	0.87 ↓	15.0%	31.8%	1.34 ↑	56.8%

16. **<u>*NEW*</u> How does the draft methodology take into account companion units and new residential units that have been converted to short term vacation rentals?**

The RHNA methodology does not take into account unit types. That is decided by the local jurisdictions through preparation of the housing element in consultation with HCD following the housing unit allocations.

Regional Housing Needs Assessment: Response to Public Comments on Draft Methodology

Public comments on the draft methodology for the 6th Cycle Regional Housing Needs Assessment (RHNA), received between July 26, 2019, and September 5, 2019, at 3:30 p.m., have been posted online at sandag.org/rhna. The public comments were uploaded in three sets and can be viewed by following the direct links below.

View public comments received prior to August 23, 2019, at 5 p.m.

View public comments received between August 23, 2019, at 5:01 p.m. to August 28, 2019, at 5 p.m.

New!: View public comments received between August 28, 2019, at 5:01 p.m. to September 5, 2019, at 3:30 p.m.

The following responses have been prepared to address issues that were common to multiple comment letters on the draft methodology.

To the extent that members of the public submitted questions in advance of providing public comment, SANDAG prepared a list of Frequently Asked Questions (FAQs). Some themes arising from public comments are the same or similar to questions answered in the FAQs. These are repeated here along with a reference to the response to FAQ as applicable.

Timeline and Public Notice

SANDAG received a few inquiries about the timeline of the RHNA process as it pertains to the public comment period and review by the California Department of Housing and Community Development (HCD). State law does not include any time requirements for public participation. State law only requires that a public hearing be held to solicit input on the draft methodology. The public comment period opened on July 26, 2019, and was scheduled to close on the day of the public hearing, August 23, 2019. The public hearing was rescheduled for September 6, 2019, and the public comment period was extended, with the closing date to coincide with the new public hearing date.

Per SANDAG Board Policy No. 025, SANDAG published notifications for the public hearing in newspapers of general circulation. Additionally, SANDAG provided public notice online at sandag.org and emailed members of the Regional Planning Technical Working Group and housing stakeholders. Public notices were published, and emails sent, for the original as well as the rescheduled public hearing date.

See also the response to FAQ #2.

Population, Geographic Size, and Current Density

SANDAG received various comments that suggest geographic size, population, and/or current density of jurisdictions be included in the draft methodology.

During the development process, the RHNA Subcommittee (subcommittee of the Board of Directors), the Regional Planning Technical Working Group (TWG), and other stakeholders evaluated population as a component of a potential methodology. Ultimately, stakeholders requested that population be removed from the methodology because it did not specifically further any objectives or factors in state RHNA laws (Government Code Section 65584 et seq.). Additionally, a jurisdictions' geographic size was considered and rejected as a component of the methodology for the same reason. State law does not include population, geographic size, or density as factors in developing a RHNA methodology.

Instead, state law includes "promoting infill development" and promoting "the encouragement of efficient development patterns" as an objective (Government Code Section 65584(d)(2)). The draft methodology prioritizes "proximity to transit" and "proximity to jobs". By allocating housing units based on transit and jobs, the draft methodology sets a guiding principle for local jurisdictions to zone and build housing near transit and jobs. Transit and job centers are located in the urbanized areas of the region. Therefore, the draft methodology encourages infill development. Because infill development does not rely on available space and can occur in areas that already have a dense population, the draft methodology supports provision of housing even in areas that are currently considered built-out.

Available Land

A number of commenters suggested SANDAG consider the availability of land in each jurisdiction. One of the factors in state law requires that SANDAG consider "the opportunities and constraints to development of additional housing in each member jurisdiction" including "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" (Government Code Section 65584.04(e)(2)(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 are accounted for by the draft methodology's use of the transit and jobs components. When development of housing is promoted near transit and jobs, it allows the jurisdictions to focus on infill development that can occur without reliance on the availability of additional land, but instead on underutilized land that can be converted to uses that allow for increased residential density.

Existing Zoning

SANDAG received a number of comments stating that a jurisdiction's existing zoning should be considered in the draft methodology. State law (Government Code Section 65584.04(e)(2)(B)) prohibits SANDAG from considering existing zoning in the development of a methodology.

See also the response to FAQ #5.

Military Housing

SANDAG received several comments about how military jobs and housing are considered in the draft methodology. At the July 26, 2019, Board meeting, staff presented a methodology recommended by the RHNA Subcommittee that included an adjustment for housed military in the jobs data. Ultimately, however, the Board voted to release a draft methodology for public comment that does not include an adjustment for housed military in the jobs data. The Board's deliberations and reasoning can be heard by listening to the audio recording of the meeting.

See also the response to FAQ #13.

SANDAG also received comments suggesting the military build housing on their installations. A representative from the Department of Defense sits on the Board and will have the opportunity to review public comments and provide input on the draft RHNA methodology. The military, however, is not subject to the RHNA laws.

Tribes

SANDAG received a comment stating that the methodology does not account for tribes on tribal land. Tribal land is not subject to the RHNA laws.

Traffic, Congestion, and Parking

A number of commenters cited traffic, congestion, and parking as issues in their communities and expressed concern that these issues will be exacerbated with additional housing. Impact on traffic and parking is not included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. Improving the relationship between jobs and housing and maximizing use of public transit as well as reducing greenhouse gas emission are objectives in state law. The RHNA Subcommittee sought to prioritize these objectives, which led to the development of the transit and jobs components in the draft methodology.

By prioritizing jobs and transit, the draft methodology encourages the development of housing near jobs and transit. Co-location of housing, jobs, and transit will provide the region's residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes. With more housing and mobility options, traffic and parking demands may change.

Community Character

A number of commenters also stated additional housing jeopardizes the character of their community. Community character is not included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. Following allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider community characteristics when planning for housing.

Infrastructure and Local Resources

SANDAG received comments referencing aging infrastructure and expressing concerns about the impact of additional housing on local resources such as roads; water services; fire, police, and other public safety services; and schools. With the exception of water and sewer services, the objectives and factors in state law do not include infrastructure and local resources as considerations in developing a methodology.

State law (Government Code Section 65584.04(e)(2)(a)) requires SANDAG to consider "lack of capacity for sewer or water service." SANDAG notes that general plans for some jurisdictions may account for constraints to housing development arising from lack of capacity for sewer or water service. For example, rural areas may rely more heavily on well water and septic systems, which constrains housing development due to lack of sufficient infrastructure. The draft methodology would allocate housing units based on transit and jobs, which are predominately located in the region's urbanized area. (All rail and *Rapid* stations and major transit stops are located in the urbanized area.) By prioritizing transit connectivity and an improved jobs-housing relationship, the draft methodology encourages infill development in urban areas that are likely to have existing capacity for sewer or water service.

Following the allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider infrastructure and local resources when planning for housing.

Exempt California Counties

A number of commenters stated that other counties in California are exempt from the RHNA process and that, because these counties are exempt, the number of housing units the San Diego region must plan for is higher.

All counties and cities in California are subject to RHNA. There are no counties or cities that are exempt. In fact, state law requires that every city and county receive housing units in each of the four income categories: low, very low, moderate, and above moderate.

The HCD performs a housing needs assessment for every region in the state and provides each with a RHNA Determination – the number of housing units the region must plan for to address current and projected housing need. HCD determines a region's housing need by considering its projected population and household growth, existing vacancy rates and overcrowding, housing replacement needs, and other data. Housing need is determined region by region. One region's housing need is independent from the housing need of other regions in the state.

Comments about exemptions may have relied on misinformation about housing legislation proposed during the 2019 California state legislative session. The California Legislature introduced numerous bills seeking to address the housing crisis through various avenues including rent control, tenant protections, developer incentives, and zoning densities. For example, Senate Bill (SB) 50 proposed increasing zoning densities around high-frequency transit. The bill underwent numerous revisions as it made its way through various state legislative committees. Ultimately, however, the vote on SB 50 was postponed to 2020, and is not currently in state law.

These comments also may have relied on misinformation about SB 106, passed in 2017. State law (Government Code Section 65583.2(c)) makes a distinction between jurisdictions in a census-defined metropolitan statistical area (MSA) and those in suburban counties when considering appropriate densities for affordable housing. Jurisdictions in an MSA must accommodate lower income housing by zoning at a density of 30 units or more per acre. Jurisdictions in a suburban county must accommodate lower income housing by zoning at a density of 20 units or more per acre. Marin County is within the San Francisco-Alameda MSA. SB 106 recognizes Marin as a suburban county for the purposes of developing affordable housing. Marin, like all other counties and cities in California, is subject to the RHNA process and receives a RHNA Determination from HCD. SB 106 allows Marin County to zone for the affordable housing allocated in its RHNA Determination at a lower density than jurisdictions in an MSA.

Transit Service Area

SANDAG received a comment suggesting that SANDAG take into consideration the broader population and geographic area served by transit stations within the draft methodology. SANDAG recognizes that mobility hub areas include not just the transit station itself but all those services and destinations that are accessible within a 5-minute walk, bike, or drive to/from high-frequency transit. The distance of a 5-minute drive can be much greater than a 5-minute walk or bike, extending the reach and access to transit. Housing proximate to transit, however, increases access to transit by modes other than driving, which helps relieve traffic congestion and reduce greenhouse gas emissions. The transit component of the draft methodology furthers both the objectives in state law and the priorities of the RHNA Subcommittee to maximize use of public transit and reduce greenhouse gas emissions by encouraging transit-oriented development.

Environmental Concerns

SANDAG received comments suggesting the draft methodology account for "the environmental factors that the Coastal Commission will need to assess before coastal regions are further developed." To the extent that state law (Government Code Section 65584.04(e)(2)(B)) allows SANDAG to consider lands at high risk for flooding when determining the suitability of land available for urban development, SANDAG reviewed flood plain maps by the Federal Emergency Management Agency. See response to FAQ #9.

State law requires SANDAG to allocate housing units to jurisdictions in the region based on a methodology that furthers state law and objectives. This process, and the methodology, does not dictate where within a jurisdiction these housing units are to be located. Following allocation of housing units, individual jurisdictions will undergo the process of updating their general plans to accommodate the housing need. It is during this local planning process that jurisdictions may consider environmental factors such as those affecting coastal zones.

Market Forces and Historic Building Patterns

SANDAG received comments that the draft methodology should account for market forces and the fact the region has not met its RHNA goals from the 5th Cycle. Market forces are not included among the objectives and factors in state law as a consideration in the development of a RHNA methodology. Additionally, state law (Government Code Section 65584.04(g)(2)) prohibits SANDAG from determining or reducing a jurisdiction's housing unit allocation based on underproduction in previous RHNA cycles.

Public Safety

A number of public commenters expressed concerns about the impact of additional housing on public safety, including the event of a natural disaster or other states of emergency. The Board, at its discretion, may pursue an additional factor that takes this potential impact into consideration as long as it can be established that the factor is necessary to further an objective in state law; if the additional factor is unrelated to the objectives in state law, then it must be established that it does not undermine the objectives in state law, it will apply equally across all household income levels, and it is necessary to address significant health and safety concerns. See Section 65584.04(e)(12). See also the response to FAQ #10.

New!

The following responses are new since the last publication of this document on August 28, 2019.

Major Transit Stops and Vehicle Miles Traveled

SANDAG received several comments about "major transit stops" as a part of the transit component in the draft methodology. Comments state that switching from the "high frequency transit" definition – considered at one point in the development of the methodology – to the "major transit stops" definition resulted in fewer jurisdictions receiving housing units based on this specific transit subcomponent. Comments varied in identifying areas and/or subpopulations this result disproportionately burdened (e.g. communities south of Interstate 8, low-income communities, etc.). Another comment specifically stated that the change in definitions will result in increased vehicle miles traveled.

These comments are addressed within the supplemental information SANDAG provided based on requests from Board members at the July 26, 2019, Board meeting. The response to Request #2 addresses a potential application of using the high frequency transit stop definition and dataset.

5th Cycle Housing Unit Allocation

A number of commenters referenced the housing unit allocations made to jurisdictions through the 5th Cycle RHNA process (2010-2020 planning period) and compared these housing unit allocations to those estimated for the 6th Cycle (2021-2029 planning period) based on the draft methodology. Comments expressed concern about disproportionate increases/decreases in housing unit allocations among jurisdictions from the 5th Cycle to the 6th Cycle.

When SANDAG staff solicited input from the Board on an approach for the methodology in September 2018, the Board expressed a desire to take a different approach than the previous 5th Cycle RHNA Methodology by not relying on existing housing capacities as a starting point. The draft methodology released by the Board for public comment on July 26, 2019, prioritizes proximity to transit and jobs and furthers the objectives in state law.

Housing unit allocations from previous RHNA cycles are not included among the objectives and factors in state law that must be considered in the development of a RHNA methodology. Each RHNA cycle is independent from the previous cycle. In fact, Government Code Section 65584.04(g) states that neither

stable population numbers from a previous cycle, nor prior underproduction of housing, may be considered in determining a jurisdiction's share of the regional housing need.

Equity Adjustment

SANDAG received several comments regarding the equity adjustment in the draft methodology. One comment suggested that jurisdictions that have a greater or an over-concentration of lower income households receive zero housing units in the low and very-low income category. This would be contrary to state law which requires that each jurisdiction receive housing units in the low and very-low income categories. (See Government Code Section 65584.04(m)(2)).

Other comments indicated that the equity adjustment does not go far enough in addressing the state objective (Objective #4) to allocate 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. These comments are addressed within the supplemental information SANDAG provided based on requests from Board members at the July 26, 2019, Board meeting. The response to Request #3 addresses a potential application of intensifying the equity adjustment.

A specific comment suggested the equity adjustment be modified to redistribute units among jurisdictions rather than adjust the proportion of units in each income category per jurisdiction. The RHNA Subcommittee and TWG prioritized transit and jobs as the basis of distributing the region's total housing need determined by HCD. The equity adjustment addresses Objective #4 which requires that a RHNA plan allocate *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 region. A detailed description of how the equity adjustment is calculated and applied is included in the response to FAQ #15.

Fair Housing

SANDAG received a few comments inquiring how the state objective of "affirmatively furthering fair housing" (Objective #5) is being met through the draft methodology. Per Government Section 65584.04(d), SANDAG provided a description of how the draft methodology furthers the objectives in state law, which is available online.

Jobs-Housing Ratio

SANDAG received a few comments suggesting SANDAG incorporate each jurisdiction's jobs-housing ratio (sometimes referred to as jobs-housing balance) in the draft methodology. A jobs-housing ratio represents the relationship between the total number of jobs and total number of housing units within a given jurisdiction. SANDAG calculated the jobs-housing ratio for each jurisdiction and provided this information to stakeholders through outreach. Ultimately, however, the RHNA Subcommittee and TWG supported a methodology that did not incorporate a jobs-housing ratio.

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November 1, 2019

Hasan Ikharta, Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Dear Director Ikharta:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft San Diego Association of Governments (SANDAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described Government Code Section 65584(d).

The draft SANDAG methodology uses jobs and transit to set the overall RHNA number for a city and uses an equity adjustment to adjust for income distribution among the sub-categories of RHNA by income. HCD has completed its review and finds that the draft SANDAG RHNA Methodology furthers the five statutory objectives of RHNA.[1]

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

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.

HCD's analysis shows that this methodology generally allocates more lower income RHNA in jurisdictions with more single-family homes, which will encourage higher density planning in these jurisdictions and a mix of housing types. Also, in support of the affordability objective, the draft methodology allocates more lower income RHNA in more costly areas of the region.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The draft allocation furthers the infill and environmental principles of this objective, as the overall allocation is based on the location of jobs and transit access. Particularly relevant to supporting infill development and climate change goals is the fact that this methodology

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[1] While HCD finds that this methodology furthers the objectives of RHNA, HCD's determination may change in regards to a different region or cycle, as housing conditions in those circumstances may differ.

(continued from previous page)
does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.

3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Overall jobs, rather than low-wage jobs, are included as a factor in the methodology, but further analysis shows that using overall jobs combined with the equity adjustment in the methodology leads to a strong overlap between low-wage jobs and lower income RHNA as a percentage of the region's lower income RHNA.

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 American Community Survey.

This objective is furthered directly by the equity adjustment included in the draft methodology. The SANDAG equity adjustment provides an upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region. While the equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

To evaluate this objective HCD used the 2019 HCD/TCAC Opportunity Maps,[2] which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. The six jurisdictions that would receive the highest percentage of lower income RHNA under this methodology are also the jurisdictions that have no segregated concentrated areas of poverty or lowest resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions with large amounts of area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA than the regional average.

HCD appreciates the active role of SANDAG staff in providing data and input throughout the draft methodology development and review period, as well as developing a methodology that is clear and transparent. HCD especially thanks Seth Litchney and Coleen Clementson for their significant efforts and assistance.

Public participation in the development and implementation of the RHNA process is essential to effective housing planning. HCD applauds SANDAG on its efforts to date and the region should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

HCD looks forward to continuing our partnership with SANDAG to assist its member jurisdictions meet and exceed the planning and production of the region's housing need.

Just a few of the support opportunities available for the SANDAG region this cycle include:
- SB 2 Planning Grants and Technical Assistance (Available now, application deadline November 30, 2019, technical assistance available now through June 2021)
- Regional and Local Early Action Planning Grants (25% of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.

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