

San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Solana Beach

The City of Solana Beach (City) has appealed its draft Regional Housing Needs Assessment (RHNA) allocation. The following constitutes the final determination of the San Diego Association of Governments (SANDAG) Board of Directors regarding the City's appeal. This final determination is based on the information and methodology described in California Government Code Section 65584.04,¹ the information presented in the appeal, all comments received regarding the appeal, and information received during the public hearing.

I. Statutory Background

The California Legislature developed the RHNA process in 1977 to address the affordable housing shortage in California. The RHNA process is codified in state law at Section 65580, et seq. Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

See Section 65580.

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

¹ All statutory references are to the California Government Code unless otherwise noted.

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

See Section 65581.

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Section 65300). A general plan consists of many planning elements, including an element for housing (See Section 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state (Section 65584(a)). HCD's determination must be based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. (See Section 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD's failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). Within 45 days of receiving the council of governments objection, HCD must "make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made." (See Section 65584.01).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, 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.
- (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.
 - (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.
 - (5) Affirmatively furthering fair housing.

See Section 65584(b).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- (1) Each member 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.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
 - (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
 - (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, 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 nonagricultural uses.
 - (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area 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 nonagricultural uses.
- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
 - (4) 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 nonagricultural uses.
 - (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.
 - (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 percent and more than 50 percent of their income in rent.
 - (7) The rate of overcrowding.
 - (8) The housing needs of farmworkers.
 - (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
 - (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
 - (11) 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.
 - (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
 - (13) 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.

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5))).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, 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, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle.

See Section 65584.04(g).

Finally, Section 65584.04(m) requires that the final RHNA Plan, which includes both the methodology and the allocation, is consistent with the development pattern included in the region's sustainable communities strategy, distributes the entire regional housing need determined under Section 65584, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d).

C. Public Participation

Government Code Section 65584.04(d) states that "public participation and access shall be required in the development of the methodology." The council of governments is required to "explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584" (See Section 65584.04(f)) as well as explain "how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology" (See Section 65584.04(d)). The proposed methodology, "this information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments' or delegate subregion's, internet website." (See Section 65584.04(f)).

The council of governments is required to open the proposed methodology to public comment and "conduct at least one public hearing to receive oral and written comments on the proposed methodology." (See Section 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Section 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to "whether the methodology furthers the objectives listed in subdivision (d) of Section 65584." (See Section 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions "and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD]." (See Section 65584.04(i)). Upon adoption of the final methodology, the council of governments "shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website." (See Section 65584.04(k)).

E. RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD, and shall publish the draft allocation on its website. (See Section 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Section 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Section 65584.04(m)(3); Section 65584.045).

II. SANDAG Oversight of the 6th Cycle RHNA Process

A. RHNA Determination

SANDAG began consultation with HCD for the 6th Cycle RHNA process in April 2017. The consultation process included a review of HCD's calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG)², Regional Planning Committee (RPC)³, and the Board⁴.

In March 2018, SANDAG received a draft RHNA Determination from HCD. Consistent with Section 65584.01, HCD used the following data to prepare the draft RHNA Determination for the San Diego region:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter's households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

At its meeting on [May 4, 2018](#), the RPC considered potential changes to the draft RHNA Determination that could be proposed to HCD reflecting factors unique to housing in the San Diego region. The RPC recommended that the Board accept the draft RHNA Determination without modifications.

At its [May 11, 2018](#), meeting, the Board authorized the Executive Director to submit comments to HCD outlining suggested revisions to the RHNA Determination. Then on May 25, 2018, the Board voted to place this item on a future agenda for further discussion before submitting comments to HCD. On [June 8, 2018](#), the Board amended its May 11, 2018, action and directed staff to submit a letter to HCD accepting the draft RHNA Determination. Following [SANDAG's acceptance](#) of the draft RHNA Determination, the consultation process concluded when HCD submitted the final RHNA Determination in a [letter to SANDAG dated July 5, 2018](#).

² SANDAG staff presented information related to the RHNA Determination to the TWG at its [March 26, 2018](#), and [April 12, 2018](#), meetings.

³ SANDAG staff presented information related to the RHNA Determination to the RPC at its [April 6, 2018](#), and [May 4, 2018](#), meetings.

⁴ SANDAG staff presented information related to the RHNA Determination to the Board at its [March 9, 2018](#), [May 11, 2018](#), and [June 8, 2018](#), meetings.

The final RHNA Determination requires SANDAG and its member agencies to plan for 171,685 total housing units through the 2021-2029 planning period to address the region's housing needs.

B. RHNA Methodology and Public Participation

At its [September 14, 2018](#) meeting the Board was surveyed to determine each 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 Board expressed a desire to take a different approach than what had been used in previous housing element cycles and wanted to play a bigger role in the development of the methodology. This culminated in the formation of the RHNA Subcommittee in December 2018, which included members of the Board from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. The Board also 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 RHNA Subcommittee began meeting in early 2019. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings⁵ in spring and summer 2019, prior to the Board's release of the draft methodology for public comment. All meetings were noticed and open to the public.

SANDAG staff also solicited input on the development of the methodology from the TWG, whose membership is described above. The TWG advises the RPC and Board on the development and implementation of San Diego Forward: the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology over 12 meetings⁶ from August 2018 to November 2019, including two workshops specifically focused on RHNA.

Attendees at the meetings of the Board, RHNA Subcommittee, RPC, and TWG provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the outreach process. In addition to addressing comments at public meetings, SANDAG staff responded to comments and questions related to the development of the methodology via phone calls and emails, which led to the creation of Frequently Asked Questions that were posted to the SANDAG website. Staff also presented at city council meetings upon request.

On [July 26, 2019](#), the Board released the draft methodology for public comment. At the end of a 42-day public comment period, SANDAG conducted a public hearing on [September 6, 2019](#). SANDAG received nearly 2,200 [public comments](#). During the public comment period, SANDAG compiled and posted on its website [supplemental information](#) requested by Board members, a list of [Frequently Asked Questions \(FAQs\)](#), and a [response to comments received during the public comment period](#).

On September 6, 2019, the Board authorized staff to submit the draft methodology to HCD for review. In a [letter dated November 1, 2019](#), HCD found that the draft methodology furthers the objectives in state law. At its November 22, 2019, meeting, the Board adopted by [resolution](#) the [final](#)

⁵ The RHNA Subcommittee met on [February 8, 2019](#), [February 22, 2019](#), [March 22, 2019](#), [April 26, 2019](#), [May 24, 2019](#), and [June 14, 2019](#).

⁶ The TWG discussed RHNA at the following meetings: [August 9, 2018](#), [October 11, 2018](#), [December 13, 2018](#), [January 10, 2019](#), [February 14, 2019](#), [March 14, 2019](#), [April 3, 2019](#), [May 9, 2019](#), [June 6, 2019](#), [June 13, 2019](#), [June 27, 2019](#), and [November 14, 2019](#).

methodology and released the [draft allocation](#). Following the Board meeting, the draft allocation was posted on the SANDAG website and distributed to each jurisdiction and HCD.

III. RHNA Appeal Process

A. Statutory Background

Under Section 65584.05(b), a local government or HCD may appeal the council of governments within 45 days following receipt of the draft allocation "for a revision of the share of the regional housing need proposed to be allocated to one or more local governments." Appeals "shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584." Appeals also shall be consistent with the sustainable communities strategy included in the regional transportation plan (See Section 65584.05(b)). In accordance with Section 65584.05(b), appeals are limited to the following circumstances:

The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

- (1) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (2) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

Following the 45-day period for filing an appeal, the council of governments "shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website." (See Section 65584.05(c)). Local governments and HCD may, within 45 days, comment on one or more appeals.

Within 30 days of the end of the appeals comment period, and with at least 21 days prior notice, the council of governments "shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c)." (See Section 65584.05(d)). Within 45 days of the public hearing to consider appeals, the council of governments is required to make a written final determination for each appeal filed that either accepts, rejects, or modifies the appeal and issue a proposed final allocation plan (See Section 65584.05(e)). The written finding(s) must describe how the determination is consistent with Section 65584.05.

If a final determination on an appeal requires the council of governments to adjust the allocation to one or more local governments that are not the subject of an appeal, Section 65584.05(f) provides: (1) if the adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those housing units proportionally to all local jurisdictions; or (2) if the adjustment totals more than 7 percent of the regional housing need, then the council of governments shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need established under Section 65584.01. (See Section 65584.05(f))

Within 45 days after issuing the proposed final allocation plan, the council of governments "shall hold a public hearing to adopt a final allocation plan." The council of governments must then submit the final allocation plan to HCD within 3 days of adoption. HCD has 30 days to determine if the final allocation plan is consistent with the regional housing need. (See Section 65584.05(g)). The council of governments has final authority to determine the distribution of the region's housing needs "[t]o the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals." (See Section 65584.05(g)). HCD may revise the determination of the council of governments to obtain consistency with the existing and projected housing need for the region. (See Section 65584.05(g)).

B. SANDAG Appeal Process

SANDAG received four appeals during the appeals period of November 22, 2019 to January 6, 2020. Following close of business on January 6, 2020, the appeals were posted on [SANDAG's website](#) and distributed to the planning or community development directors of each local jurisdiction and the Board consistent with Section 65584.05(c).

SANDAG received five comment letters on the appeals during the appeals comment period from January 7, 2020 to February 21, 2020.

On February 7, 2020, SANDAG issued a notice of public hearing to consider appeals and comments on appeals at a meeting of the Board on February 28, 2020, pursuant to Section 65584.05(d), which was posted on the SANDAG website and published in two local newspapers. The Executive Committee, a committee of the Board responsible for setting Board agendas and providing direction to staff in preparing items for Board consideration, was scheduled to consider proposed RHNA Appeals Hearing Procedures at its meeting on [February 14, 2020](#). Prior to the Executive Committee meeting, three of the appealing jurisdictions submitted letters to SANDAG stating that individual notice of the proposed public hearing was not received 21 days in advance of the February 28, 2020, public hearing date. To ensure compliance with the requirements of Section 65584.05(d), at its February 14, 2020, meeting, the Executive Committee approved continuing the public hearing to March 27, 2020, in addition to approving the RHNA Appeals Hearing Procedures with modifications. At its meeting on February 28, 2020, the Board ratified the Executive Committee's actions.

On March 3, 2020, SANDAG issued a notice of the public hearing to consider appeals and comments on appeals on March 27, 2020, pursuant to Section 65584.05(d), which was provided to each jurisdiction, posted on SANDAG's website, and published in two local newspapers.

The Board conducted the public hearing at its meeting on [March 27, 2020](#).

IV. The City's Appeal

In a letter dated January 3, 2020, the City appealed the draft allocation. The grounds for appeal are as follows:

- (1) SANDAG failed to adequately consider the information submitted pursuant to Government Code Section 65584.04(b).
- (2) SANDAG failed to determine the share of the regional housing need in accordance with the information described in Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Government Code Section 65584(d).

A. Statutory Factors Under 65584.04(e)

1. Section 65584.04(e)(1): Jobs-Housing Relationship

Section 65584.04(e)(1) states:

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

(1) Each member 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.

As described above, pursuant to Section 65584.04, SANDAG has been charged with developing the RHNA methodology in consultation with HCD. SANDAG has the discretion to develop this methodology so long as it meets all the procedural requirements under Section 65584, *et seq.*, and the methodology furthers the objectives in Section 65584(d) as ultimately determined by HCD. In compliance with the RHNA statute, SANDAG carefully developed its methodology with input from HCD and local jurisdictions.

The City argues that “[t]he employment data SANDAG used is inconsistent with data available by and from other jurisdictions to verify its accuracy and is even inconsistent with numbers shared by SANDAG staff.” (City’s Appeal, p. 2). It is unclear which jurisdictional data or SANDAG numbers the City is referring to.

The City also asserts that “[f]ailure to use independently verifiable jobs data sources and failure to allow each jurisdiction to understand how these numbers were generated or selected was arbitrary and without adequate support in facts.” (City’s Appeal, p. 2).

In fact, SANDAG performed extensive stakeholder outreach in defining the data sources available during the development of the methodology to ensure adequate opportunity for jurisdictions to comment. SANDAG made multiple presentations on the jobs data and sources , including presentations at the following public meetings:

- [April 3, 2019, TWG Meeting](#)
- [April 26, 2019, RHNA Subcommittee Meeting](#)
- [May 9, 2019, TWG Meeting](#)
- [June 6, 2019, TWG Meeting](#)
- [May 24, 2019, RHNA Subcommittee Meeting](#)

Additionally, SANDAG staff responded to the individual questions asked by jurisdiction staff about jobs data and data sources. SANDAG also presented the jobs data at city council meetings upon request. SANDAG included information about underlying data and assumptions used in the methodology in a [Frequently Asked Questions](#) document as well as the [Draft Methodology](#) document, which were both made available online.

The data source for the jobs component of the methodology 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. The 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). Finally, the jobs data are validated against published job totals for the County from the EDD Labor Market Information’s yearly data.

Importantly, the City has failed to submit with its appeal a specific revision to the allocation or any supporting documentation or alternative data concerning the jobs component. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

2. Section 65584.04(e)(2): Opportunities and Constraints to Development

The City argues that the draft allocation fails to adequately account for the amount of land available for development in a jurisdiction. The City asserts that the lot size of the available land in the City averages less than the HCD-preferred one- to ten-acre lot size for residential development. However, SANDAG “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 the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). In fact, HCD noted in its letter dated November 1, 2019, that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology 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.” With respect to specific lot sizes of parcels, this is not a factor for consideration in determining the regional housing need allocation under state law. Jurisdictions must work closely with HCD in updating their housing elements to address unique community characteristics. Based on the above, the facts raised by the City do not support this ground for appeal.

Nevertheless, SANDAG did specifically discuss the availability of land or jurisdictional capacity in development of the methodology at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – Seven working group members and SANDAG staff discussed jurisdictional capacity at length
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The RHNA Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed land availability and jurisdictional capacity
- [May 10, 2019, Board Meeting](#) – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle, which considered a jurisdiction’s capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction’s capacity. Following receipt of this information, one Board member further discussed jurisdictional capacity

- [June 27, 2019, TWG Meeting](#) – Two working group members discussed jurisdictional capacity
- [July 26, 2019, Board Meeting](#) – Three public speakers and six Board members discussed land availability and jurisdictional capacity
- [September 6, 2019, Board Meeting](#) – Three public speakers and nine Board members discussed land availability and jurisdictional capacity.
- [November 22, 2019, Board Meeting](#) – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

Discussions around availability of land culminated in a proposal from the City for a small cities adjustment at the July 26, 2019, and September 6, 2019, meetings of the Board. Several SANDAG Board members requested staff apply a methodology that recognizes challenges for small cities by potentially reducing the number of housing units based on the population of the jurisdiction. The proposed small cities adjustment was considered in several comment letters during the public comment period and also discussed at the following public meetings:

- (1) [July 26, 2019, Board Meeting](#) – Two board members discussed the potential for a small cities adjustment.
- (2) [September 6, 2019, Board Meeting](#) – Eight board members discussed the potential for a small cities adjustment.

SANDAG staff also consulted with HCD⁷ on the potential for small cities to receive a reduced allocation. HCD did not support an adjustment based on the population of a city rather than based on the objectives in state law. HCD's position was reported to the Board at its September 6, 2019, meeting. Ultimately, the Board voted not to include the small cities adjustment in the final RHNA methodology.

The City also asserts that SANDAG did not adequately consider the City's small jurisdictional size or the restrictions imposed by the Coastal Act. As mentioned above, SANDAG "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 the alternative zoning ordinances and land use restrictions." (See Section 65584.04 (e)(2)(B)).

Additionally, the Coastal Commission recently commented on a similar statement from another jurisdiction in the San Diego Union Tribune⁸:

In a statement, Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn't mean that there are not areas within the coastal zone where significant increases in housing density are possible.

⁷ Section 65584.04(h) states that the methodology must be published on SANDAG's website and submitted to HCD after making revisions resulting from comments received during the public comment period and "as a result of consultation with [HCD]."

⁸ "San Diego County cities push back on state-mandated housing goals." San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

"To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate," he wrote. "Over the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments."

While the legislative priorities under the Coastal Act may be different from the state law governing RHNA, this can be said about other statutory schemes affecting local land use. Consistent with past cycles of RHNA, a jurisdiction wholly or partly in the coastal zone must work with the Coastal Commission when updating the housing element in its general plan.

Finally, the City has failed to submit a specific revision to the allocation based on their Local Coastal Program. Because a specific revision was not submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, or whether the revision would be necessary to further the intent of the statutory objectives.

3. Section 65584.04(e)(3): Public Transportation and Existing Transportation Infrastructure

Section 65584.04(e)(3) states:

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

(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.

The City argues that SANDAG did not adequately consider a broader population and geographic area served by rail stations; however, the area surrounding rail stations was discussed at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – One working group member commented that there should be consideration of building capacity around rail stations; two working group members state that they don't support using existing capacities of any kind. In total, seven working group members and SANDAG staff discussed jurisdictional capacity at length.
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity. One of these comments included consideration of building capacity around rail stations
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed land availability and jurisdictional capacity.
- [May 10, 2019, Board Meeting](#) – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle RHNA, which considered a jurisdiction's capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction's capacity. Following receipt of this information, one Board member discussed jurisdictional capacity.

- [June 27, 2019, TWG Meeting](#) – Two working group members discussed jurisdictional capacity.
- [July 26, 2019, Board Meeting](#) – One Board member commented that there is no capacity to build around one of the trolley stations in their jurisdiction; another Board member commented that the train station in their jurisdiction serves four jurisdictions. In total, three public speakers and six Board members discussed land availability and jurisdictional capacity in general.
- [September 6, 2019, Board Meeting](#) – One Board member discussed the area surrounding rail stations. Three public speakers and nine Board members discussed land availability and jurisdictional capacity in general.
- [November 22, 2019, Board Meeting](#) – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

In considering the land surrounding a rail station, *Rapid* station, or major transit stop, the discussion at the above public meetings revolved around existing land use restrictions and jurisdictions' ability to build within any radius or shed identified around the station. However, SANDAG "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 the alternative zoning ordinances and land use restrictions." See Section 65584.04 (e)(2)(B). For this reason, information regarding the area surrounding rail and *Rapid* stations and major transit stops, after being considered at multiple public meetings, was not ultimately incorporated into the methodology.

In addition, the Board considered several comments received during the draft methodology public comment period discussing the same topic, including an August 8, 2019, letter from the City. In its letter, the City cites the same 2018 NCTD COASTER Survey described in its appeal, but also notes that only 42% of COASTER passengers reported traveling by car to the COASTER Station, while 13% reported traveling by rideshare or taxi and 7% by carpool or vanpool. This leaves 38% of the passengers without a known mode of travel. However, in calculating the distances cited in its appeal, the City makes an assumption that "the passengers' average travel speed to the COASTER Station was 10 miles per hour." The City does not present data/ evidence to support this assumption. As such, SANDAG cannot determine whether the analysis presented is based on accepted planning methodology.

Finally, the City has failed to submit a specific revision to the allocation concerning the area surrounding transit and rail stations. Because a specific revision was not requested, SANDAG cannot determine whether the revision is necessary to further the statutory objectives.

4. Section 65584.04(e)(9): Housing Needs of Universities and Colleges

Section 65584.04(e)(9) states:

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

...

(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 City asserts that SANDAG did not adequately consider this factor and assumed that transit "would somehow automatically cover the housing needs of campuses." (City's Appeal, p. 5). However, the major universities and colleges in the region are also key employers. Therefore, jobs associated with those institutions are specifically considered in the methodology. Additionally, the major universities and community colleges in the San Diego region are in fact located in urban areas served by the existing transportation network. Prioritizing transit in the methodology encourages housing development near existing transit facilities serving these key destinations. As such, both the transit and jobs components address the housing needs generated by students, faculty, and staff at private universities and campuses of the California State University or the University of California within each affected jurisdiction.

Importantly, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of universities and colleges within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

5. Section 65584.04(e)(8): Housing Needs of Farmworkers

The City argues that the housing needs of farmworkers were "completely ignored" (City's Appeal, p. 5). This is false. The final methodology accounts for all jobs in the region, farmworker jobs included, in allocating the regional housing needs. Notwithstanding, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of farmworkers within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

6. Section 65584.04(e)(12): The Region's Greenhouse Gas Emissions Targets

The City argues that information related to the region's greenhouse gas (GHG) emissions targets provided by the California Air Resource's Board (CARB) has not been adequately considered. In late 2017, CARB published [California's 2017 Climate Change Scoping Plan](#) (Scoping Plan) which proposes to strengthen major programs related to climate impacts and further integrate efforts to reduce both GHG emissions and air pollution. Building on Senate Bill 743, the Scoping Plan outlines high-level objectives and goals to reduce GHG emissions in the transportation sector, including land use changes and reduction in vehicle miles traveled (VMT). The Scoping Plan notes:

"While most of the GHG reductions from the transportation sector in this Scoping Plan will come from technologies and low carbon fuels, a reduction in the growth of VMT is also needed. VMT reductions are necessary to achieve the 2030 target and must be part of any strategy evaluated in this Plan. Stronger SB 375 GHG reduction targets will enable the State to make significant progress toward this goal, but alone will not provide all of the VMT growth reductions that will be needed. There is a gap between what SB 375 can provide and what is needed to meet the State's 2030 and 2050 goals" (Scoping Plan, p. 75).

CARB's discussion addresses land use patterns and secondary emissions caused by the vehicle manufacturing industry, demand for new infrastructure, and demand for maintenance and upkeep of existing infrastructure related to population growth:

"As California's population continues to increase, land use patterns will directly impact GHG emissions from the transportation sector, as well as those associated with the conversion and development of previously undeveloped land. Specifically, where and how the State population grows will have implications on distances traveled and tailpipe emissions; as well as on secondary emissions from the transportation sector, including emissions from vehicle manufacturing and distribution, fuel refining and distribution, demand for new infrastructure (including roads, transit, and active transportation infrastructure), demand for maintenance and upkeep of existing infrastructure. Conversion of natural and working lands further affects emissions, with the attendant impacts to food security, watershed health, and ecosystems. Less dense development also demands higher energy and water use. With the exception of VMT reductions, none of these secondary emissions are currently accounted for in the GHG models used in this Scoping Plan, but are nonetheless important considerations. Additionally, compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are also not modeled but are important co-benefits of the overall transportation sector strategy. For example, high-speed rail station locations were identified in downtown areas to reinforce existing city centers" (Scoping Plan, p. 77).

Among CARB's Vibrant Communities and Landscapes / VMT Reduction Goals identified to reduce GHG emissions from the transportation sector are the following:

- Promote all feasible policies to reduce VMT, including:
 - Land use and community design that reduce VMT,
 - Transit oriented development,
 - Complete street design policies that prioritize transit, biking, and walking, and
 - Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities.
- Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use.
- Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the "first mile, last mile" gap between commuters' transit stops and their destinations.
- Continue research and development on transportation system infrastructure, including:
 - Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and
 - Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use.
- Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent, and for a walk and bike mode share of between 10 percent and 15 percent (Scoping Plan, p.76).

The Scoping Plan goes on to state that “compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are [] not modeled but are important co-benefits of the overall transportation sector strategy” (Scoping Plan, p. 77). Because the draft allocation encourages the development of housing near jobs and transit, it will provide the region’s residents with opportunities to live where they work and readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes.

Furthermore, while the City has presented some 2010 Census data, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning GHG emissions targets. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

B. Statutory Objectives in Section 65584(d)

1. Section 65584(d)(1): Increase Housing Supply

Section 65584(d)(1) states:

The regional housing needs allocation plan shall further all of the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

In its appeal, the City notes that the methodology does not consider “financial viability” of land and states that “financial assistance is severely lacking to assist cities in offsetting development costs” (City Appeal, p. 7). Neither financial viability of land nor financial assistance are factors for consideration in allocating the regional housing need under state law. In fact, in 2018 state legislation removed “[t]he market demand for housing” as a factor for consideration, and beginning in 2018, HCD introduced state funding programs to assist local jurisdictions with housing production in recognition of challenges arising from the statewide housing crisis. Notwithstanding, the economic arguments raised by the City do not support a ground for appeal.

Consistent with this statutory objective, the draft allocation distributes housing units in all four income categories to each of the region’s 19 jurisdictions. The draft allocation 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 income units to jurisdictions that currently have a smaller share of low- and very low income households than the regional share. Because state law requires jurisdictions to zone at higher densities to accommodate their low- and very low income housing allocations, the mix of housing types will also increase.

2. Section 65584(d)(2): Promote Infill Development

Section 65584(d)(2) requires that the RHNA Plan further the following objective:

- (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 City argues that the draft allocation would require violation of the Coastal Act. As mentioned above, Coastal Commission Executive Director Jack Ainsworth was recently quoted in a Union Tribune article stating that “[o]ver the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.” As such, it is unclear how the draft allocation would require the City to violate the Coastal Act.

Also, SANDAG “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 the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). And as described above, HCD noted in its letter dated November 1, 2019 (p. 1-2) that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology 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.”

The City also argues that the draft allocation fails to promote infill development because “[u]nits should be allocated to jurisdictions that are not overly built out.” (City’s Appeal, p. 8). It asserts that “[b]y failing to consider the City’s inability to absorb the units it was allocated, the allocation is flawed.” (City’s Appeal, p. 8). Again, SANDAG “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 the alternative zoning ordinances and land use restrictions.” See Section 65584.04 (e)(2)(B). To the extent the City may be referring to the 5th Cycle RHNA methodology, which was based on general plan capacities, it is important to note that the 6th Cycle used a completely different methodology. The 6th Cycle methodology and its draft allocation address the statutory objectives set forth by the Legislature by encouraging housing development near jobs and transit, which will provide the region’s residents with opportunities to live where they work and readily access transit.

Consistent with this statutory objective, by prioritizing transit (and jobs), the methodology encourages efficient development patterns and reduces GHG emissions. An allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space (See Final Methodology, p. 11). Additionally, placing residents near jobs and transit is consistent with CARB’s identified policy goals and guidance detailed in the CARB’s Scoping Plan, which is discussed in more detail above.

3. Section 65584(d)(3): Promote Jobs Housing Relationship

Section 65584(d)(3) requires that the regional housing needs allocation plan further the following objective:

- (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.

The City argues that the draft allocation undermines this statutory objective because “the methodology fails to include the number of low-wage jobs in a jurisdiction and compare it to the ratio of low-wage housing.” The statutory objective does not require this. In developing the

methodology, 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 showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in every jurisdiction in the region. Therefore, allocation of low and very low income housing units to all jurisdictions in the region would improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers consistent with this statutory objective.

In addition, the City questions the percentages given as weighting to the jobs and transit components of the methodology and asserts that “the percentages appear to have been taken out of thin air” (City’s Appeal, p. 9). However, members of the Board, the RHNA Subcommittee and the TWG participated in substantive discussion considering the relative weighting of jobs compared to transit at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – Working group members and public attendees broke out into small groups and used laptops provided by staff to test different weightings of the components in the methodology. Following the breakout, two working group members specifically discussed giving equal or greater weight to the jobs component.
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Six subcommittee members and an additional elected official participated in a discussion of the relative weighting of the jobs and transit component. The Subcommittee received comments from three TWG working group members about the relative weighting of the jobs and transit component. These comments were included in the meeting agenda and discussed aloud at the meeting.
- [May 9, 2019, TWG Meeting](#) - Three working group members discussed the relative weighting of the jobs and transit component.
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed the relative weighting of the jobs and transit component.
- [June 6, 2019, TWG Meeting](#) – Four working group members discussed the relative weighting of the jobs and transit component.
- [June 27, 2019, TWG Meeting](#) – One working group member discussed the relative weighting of the jobs and transit component.
- [July 26, 2019, Board Meeting](#) – One public speaker and two Board members discussed the relative weighting of the jobs and transit component. These two Board members requested that staff provide information on an estimated allocation based on equal weighting (50-50) to the transit and jobs component. This supplemental information was provided directly to the Board and made available on the SANDAG website.
- [September 6, 2019, Board Meeting](#) – Four public speakers and three Board members discussed the relative weighting of the jobs and transit component.

Again, the City has failed to submit with its appeal a specific revision to the allocation or any supporting documentation or alternative data concerning the jobs component or its weighting. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

The City also questions the priority given to rail and *Rapid* stations over major transit stops, and asserts that the methodology should assign housing units based on all bus stops⁹ in the region, rather than major transit stops. The weighting of the transit subcomponents and the use of major transit stops as one of the subcomponents was not arbitrary; it is the direct result of substantive consideration at the following public meetings:

- [March 22, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members discussed definitions used in the transit component and the relative weighting of the transit subcomponents for nearly 1 hour
- [April 3, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component and the weighting of the transit subcomponents
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Four subcommittee members discussed definitions used in the transit component. The Subcommittee received comments from three TWG working group members about the relative weighting of the transit subcomponents – one of these comments specifically discusses giving equal weight to the transit subcomponents. These comments were included in the meeting agenda and discussed aloud at the meeting.
- [May 24, 2019, RHNA Subcommittee Meeting](#) – Three subcommittee members discussed definitions used in the transit component
- [June 6, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component and one working group member discussed the relative weighting of the transit subcomponents
- [June 27, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component
- [July 26, 2019, Board Meeting](#) – Two public speakers and four Board members discussed definitions used in the transit component
- [September 6, 2019, Board Meeting](#) – Three public speakers and three Board members discussed definitions used in the transit component. The Board rejected a motion to exchange the major transit stops dataset used in the draft methodology with the high-frequency transit dataset.

Ultimately, rail and *Rapid* stations were more heavily weighted to reflect the significant investment the region has made to build and improve rail lines and *Rapid* routes, as well as the permanency of rail lines and *Rapid* routes relative to local bus service. Additionally, rail and *Rapid* routes have higher capacities and are among the more popular transportation services in the region.

Moreover, state law incentivizes development near a major transit stop by providing a qualifying project with the option for CEQA streamlining.¹⁰ Contrary to the City's claim, projects near major transit stops are specifically encouraged as infill opportunities. This distinguishes major transit stops from other definitions of transit in a way that furthers the statutory objective to promote

⁹ The City states that “minimizing changes in MTS locations would also help the region achieve GHG emission targets” (City’s Appeal, p. 9). It is important to note that the Metropolitan Transit System (MTS) has a robust process for evaluating and adjusting existing transit services to improve performance. Specific to major service changes, including the significant realignment of a route, changes in scheduled headways, and subarea restructuring, MTS requires a public hearing and a Title VI analysis prior to the MTS Board of Directors making a final implementation decision. See MTS Policies and Procedures, No. 42 (https://www.sdmts.com/sites/default/files/policy.42.transit_service_eval_and_adjustment.pdf).

¹⁰ Public Resources Code 21099 and California Code of Regulations 15064.3(b)(1), 15182(b)(1)(A), and Appendix M.

infill development and was a primary reason in recommending the use of major transit stops to the Board.

The City eventually states that a “better” regional balance could be achieved by allocating units in the transit component based on all bus stops, or alternatively, by 50% of the units being allocated to rail and *Rapid* and 50% to major transit stops. Its appeal, however, fails to demonstrate how either approach would be necessary to further the intent of the statutory objectives.

C. Significant and Unforeseen Change in Circumstances

The City also submitted letters during the comment period requesting that SANDAG consider a new California Department of Finance (DOF) population projection released in January 2020. A prior DOF population projection was used by HCD in developing the RHNA Determination. On February 6, 2020, SANDAG staff discussed the new DOF population projection with HCD to determine how it might affect the 6th Cycle RHNA. HCD stated that the RHNA statutes do not provide a process for revising a RHNA Determination once it is final. Section 65584.01(a) provides that “[t]he department’s determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” The final RHNA Determination is produced by HCD based on the data available during the consultation process pursuant to Section 65584.01 and is not revised for either increased or decreased population estimates subsequently released. As such, SANDAG finds that the new DOF population projection does not constitute a “significant or unforeseen change in circumstances [that] has occurred in the local jurisdiction or jurisdictions . . .” See Section 65584.05(b)(3).

V. Conclusion

The City requests that SANDAG modify the draft allocation by reducing the allocation by 55% for small jurisdictions and reallocating those units to those jurisdictions whose proposed allocation is less than the Cycle 5 RHNA allocation¹¹. While not specifically included in the paragraph titled “Solana Beach’s Request for Modified Allocations” on page 10 of City’s appeal, SANDAG also has considered City’s requests to (a) adjust the allocation based on different jobs data or different jobs component weighting, (b) adjust the allocation based on a transit shed around train stations in the region, (c) adjust the allocation in the transit component based on all bus stops, or alternatively, by 50% of the units being allocated to rail and *Rapid* and 50% to major transit stops, (d) adjust the allocation to accommodate the City’s existing zoning and Local Coastal Program, (e) adjust the allocation to accommodate units for cities with college and university campuses, and (f) adjust the allocation to accommodate units for farmworker jobs.

Based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City’s appeal.

¹¹ It is important to note that Section 65584.04(g) prohibits SANDAG from considering prior underproduction of housing in a city or county from the previous regional housing need allocation in determining a jurisdiction’s share of the regional housing need.