EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
Meeting of March 14, 2003

Vice Chairman Mickey Cafagna called to order the Executive Committee meeting. Committee members in attendance were Hal Ryan, Dick Murphy, Greg Cox and alternates Lori Holt Pfeiler, Christy Guerin and Art Madrid.

Vice Chairman Cafagna introduced Senator Denise Ducheny and welcomed her to the meeting.

CONSENT

1. AB 1866 (WRIGHT): SECOND DWELLING UNIT AND DENSITY BONUS LAW (INFORMATION)

AB 1866 (Wright) codified as Gov. Code Section 65852.2, provides that after July 1, 2003, the permit process for second units shall be ministerial, which means that jurisdictions cannot require a public hearing or discretionary approval of such units. The law requires that local governments implement a process for second units in which the applicant is entitled to the permit if he or she complies with local standards. To ensure their compliance with the provisions of AB 1866, local jurisdictions should, if necessary, amend their second unit ordinances to remove public hearing and/or discretionary approval requirements. Jurisdictions do not have to change or remove standards governing second units. AB 1866 also makes several changes to density bonus law. Density bonus law allows developers to increase densities when they designate a percentage of their project for lower income or senior households. Changes include:

- Local governments may not apply development standards that make it impossible to develop housing at the density permitted by density bonus law;
- Local governments must grant the concession/incentive the applicant requests unless the locality finds that the concession/incentive is not needed to make the affordable housing feasible (or adversely impacts the environment, health and safety or historic resources);
- Moderate income condos are eligible for a density bonus; and
- Attorney’s fees shall be provided to litigants in successful lawsuits against cities and counties that refuse to grant a requested density bonus, incentive, or concession as required by state law.
The California Department of Housing and Community Development (HCD) will be releasing a guide to the implementation of AB 1866 in May 2003. SANDAG will notify local jurisdictions as soon as it is available.

**Action:** The Executive Committee voted to approve the Consent Item.

2. **PUBLIC COMMUNICATIONS/COMMENTS**

None.

**REPORTS**

3. **LEGISLATIVE UPDATE: SB 491 AND SB 492 (DUCHENY) – HOUSING BILLS (DISCUSSION)**

SB 491 proposes a six-month extension of the housing element due date for the San Diego region. The proposed extension would require that housing elements for the 2004-09 cycle be completed by December 31, 2004 instead of June 30, 2004. This extension will provide SANDAG with additional time to complete and obtain agreement on its housing needs determination and allocation process, and to improve the link between this work and the preparation of the Regional Comprehensive Plan. SB 492 was introduced as a legislative vehicle for SANDAG’s housing element self-certification pilot program. In February, the Executive Committee directed SANDAG to pursue legislation to extend the sunset date for the pilot program, and to grant full eligibility for all state funds and programs to jurisdictions that self-certify their housing elements. The bill does not, yet, contain language that would make these changes. Other potential changes to the bill discussed included tying the pilot program to approval of the Regional Comprehensive Plan and improved monitoring of the progress towards meeting self-certification goals.

**Public Comment**

Catherine Rodman, San Diego Advocates for Social Justice, supports the expansion of the pilot self-certification program and urged the Executive Committee to do the same.

Deana Fuentes, Director of Housing and Development for the City of Vista, provided the Executive Committee with an overview of the City of Vista’s self-certification efforts.

Vice Chairman Cafagna acknowledged Mayor Lori Holt Pfeiler’s efforts during her tenure as Chair of SANDAG’s Regional Housing Element Advisory Committee.

Senator Ducheny discussed key aspects of both bills. She indicated that she agreed to author the bills to allow SANDAG’s housing work to be tied to the Regional Comprehensive Plan. She stated that incentives for getting more housing sited and built are important and that transportation funding should be linked to housing. Self-certification should be the carrot
to do more. With respect to the state budget and potential cuts to redevelopment funds, she encouraged local jurisdictions to provide information to Sacramento about how redevelopment funds are being spent and the benefits that accrue to redevelopment areas as a result of these funds. She noted that the Regional Comprehensive Plan should have teeth in conjunction with self-certification, and that more accountability should be built into the self-certification process. Senator Ducheny suggested consideration of certification at the regional level that the local jurisdictions are meeting the goals of the regional plan.

Senator Ducheny concluded that hearings for SB 491 and SB 492 have been set for April 7 and April 21, 2003, respectively. She also indicated that she may hold a housing workshop in San Diego to provide information and discuss the various state programs and funding cycles for affordable housing; California Housing Finance Agency (CalHFA) and the Department of Housing and Community Development (HCD) would be involved in this workshop.

The Executive Committee discussed ways that the housing element self-certification program could be improved: strengthening the monitoring process and producing an annual report on housing production. Other issues discussed included: the benefits of having a methodology that equalizes the playing field for all jurisdictions and looks at the financial and planning tools that are available in the region; the importance of fiscal reform to housing; the potential for other regions to self-certify their housing elements; developing an incentive-based process, in the form of infrastructure investments, that benefit self-certifying jurisdictions; looking at the types of affordable housing production, e.g. new construction vs. rehabilitation; the cost savings aspect of self-certification; and tying the self-certification bill to adoption of the Regional Comprehensive Plan and the potential need for a one year housing element due date extension if that idea is pursued.

A meeting with HCD staff and Mark Stivers, Senate Housing Committee consultant was proposed to discuss the two bills.

4. FY 2004 PRELIMINARY PROGRAM BUDGET (APPROVE)

SANDAG Interim Bylaws require that the Board of Directors approve a Preliminary Program Budget prior to April 1, 2003. The Draft Preliminary Program Budget is based upon management’s estimates of the resources necessary and revenues available to carry out the work described in the Draft FY 2004 Overall Work Program (OWP). The Board of Directors approved the distribution of the draft OWP for federal, state, and local review and comment at their meeting of February 28, 2003.

The FY 2004 Preliminary Program Budget projects available revenues, including reserves and TransNet program sales tax revenues, to be $263,624,402. The projected funding level, including $4.5 million for transit planning and programming responsibilities being consolidated as part of SB 1703, represents a 1% increase from the current actual FY 2003 SANDAG and TransNet Program Budgets. Without these new responsibilities, SANDAG would have shown a 1% decrease overall. As the initial transition plan continues to be implemented, changes will be made for the Final Program Budget scheduled for the May Executive Committee meeting. Later this year, the Final FY 2004 Program Budget will need to be amended to reflect the subsequent transfer of project development and construction functions by the end of January 2004.
There are two recommendations for the Executive Committee to consider: (1) to recommend that the Board of Directors of the San Diego Association of Governments adopt the FY 2004 Preliminary Program Budget, including the budget for the San Diego County Regional Transportation Commission, as the preliminary expenditure plan to carry forward the regional planning program for FY 2004 and that the Executive Committee continue its review of the draft FY 2004 Overall Work Program and Preliminary Budget in order to provide further guidance to the Board of Directors; and (2) to recommend that the Board of Directors of the San Diego Association of Governments approve the implementation of the proposed management organization for the consolidated agency by the Executive Director.

Staff explained the proposed management organization to the Executive Committee and reviewed the proposed organization chart, which addresses the new responsibilities and functions of SANDAG, as the new consolidated agency. The management positions will be filled by three methods: (1) direct appointment of a staff member from SANDAG, MTDB, or NCTD to a position; (2) competition among the staff from the consolidated agencies; and (3) open competition. Additional costs for these positions are being minimized by filling positions with existing staff at the three agencies and through reorganization of vacated positions under the proposed management structure.

Committee members wanted to be assured that the consolidation did not increase the number of positions at the three agencies. Staff indicated that as the consolidation progresses, there should be some savings through reorganization as positions are filled and attrition in future years.

**Action:** The Executive Committee voted to approve staff recommendation number 2.

Staff provided an overview of the Budget which included a revenue summary, maintaining member agency assessments and Criminal Justice Clearinghouse Funding at the current level, consolidated planning projects, and staff compensation (salaries, wages and benefits). Executive Committee members expressed concern regarding lobbying for all three agencies and suggested that those efforts be consolidated as well.

**Action:** The Executive Committee voted to approve staff recommendation number 1.

**5. REVIEW OF DRAT BOARD AGENDA FOR MARCH 28, 2003 (APPROVE)**

Staff noted that the San Diego Regional Energy Office has postponed their item for one month and will present its issues to the Board in two phases over two months. The first presentation will be on the Regional Energy Plan and the second presentation will be on the Regional Energy Organization.

**Action:** The Executive Committee voted unanimously to approve the draft Board agenda for February 28, 2003 as presented.