Meeting Notice and Agenda

Regional Housing Needs Assessment Subcommittee
The Regional Housing Needs Assessment Subcommittee may take action on any item appearing on this agenda.

Friday, May 24, 2019
12 noon to 1:15 p.m.
SANDAG Conference Room 7
401 B Street, Suite 800
San Diego, CA 92101

Staff Contact: Robyn Wapner
(619) 699-1994
robyn.wapner@sandag.org

Agenda Highlights

• Regional Housing Needs Assessment Methodology

Please silence all electronic devices during the meeting

Message from the Clerk
In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Board of Directors (BOD) $150, Regional Transportation Commission (RTC) $100, and Regional Housing Needs Assessment (RHNA) Subcommittee $150. Compensation rates for the BOD and RHNA Subcommittee are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.

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Regional Housing Needs Assessment Subcommittee
Friday, May 24, 2019

Item No. | Action
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+1. | Approval of Meeting Minutes

The Regional Housing Needs Assessment (RHNA) Subcommittee is asked to review and approve the minutes from its April 26, 2019, meeting.

2. | Public Comments/Communications/Member Comments

Members of the public shall have the opportunity to address the RHNA Subcommittee on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a Request to Comment form and giving it to the meeting coordinator prior to speaking. Public speakers should notify the meeting coordinator if they have a handout for distribution to RHNA Subcommittee members. Public speakers are limited to three minutes or less per person. RHNA Subcommittee members also may provide information and announcements under this agenda item.

Report

+3. | Regional Housing Needs Assessment Methodology (Seth Litchney)

The RHNA Subcommittee is asked to discuss the changes to the RHNA Methodology requested by the RHNA Subcommittee and Regional Planning Technical Working Group and provide input on inclusion of the RHNA Methodology in the draft RHNA Plan.

4. | Upcoming Meetings

The next RHNA Subcommittee meeting is scheduled for Friday, June 14, 2019, at 12 noon.

5. | Adjournment

+ next to an item indicates an attachment
April 26, 2019, Meeting Minutes

Chair Catherine Blakespear (North County Coastal) called the meeting of the Regional Housing Needs Assessment (RHNA) Subcommittee to order at 12:15 p.m.

1. Approval of Meeting Minutes (Approve)

   Action: Upon a motion by Mayor Rebecca Jones (North County Coastal) and a second by Mayor Mary Salas (Regional Planning Committee), the RHNA Subcommittee approved the minutes from its March 22, 2019, meeting. Yes: Chair Blakespear, Councilmember Monica Montgomery (City of San Diego), Councilmember Kristine Alessio (East County), Mayor Jones, Mayor Salas, and Mayor Richard Bailey (South County). No: None. Abstain: None. Absent: County of San Diego.

2. Public Comments/Communications/Member Comments

   No public comments were made.

Reports

3. Regional Housing Needs Assessment Workshop (Discussion)

   Seth Litchney, Senior Regional Planner, presented the draft RHNA methodology allocation tool to the RHNA Subcommittee. Mr. Litchney facilitated a discussion, asking the RHNA Subcommittee to provide feedback on the methodology tool.

   Action: This item was presented for discussion.

4. Upcoming Meetings (Information)

   The next RHNA Subcommittee meeting is scheduled for Friday, May 24, 2019, at 12 noon.

5. Adjournment

   Chair Blakespear adjourned the meeting at 1:22 p.m.
Confirmed Attendance at SANDAG Regional Housing Needs Assessment Subcommittee Meeting

Friday, April 26, 2019

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Name</th>
<th>Attended</th>
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</thead>
<tbody>
<tr>
<td>North County Coastal</td>
<td>Catherine Blakespear, Chair</td>
<td>Yes</td>
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<tr>
<td>City of San Diego</td>
<td>Monica Montgomery</td>
<td>Yes</td>
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<tr>
<td>County of San Diego</td>
<td>Jim Desmond</td>
<td>Yes – Arrived after first vote</td>
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<tr>
<td>East County</td>
<td>Kristine Alessio</td>
<td>Yes</td>
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<td>North County Inland</td>
<td>Rebecca Jones</td>
<td>Yes</td>
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<td>South County</td>
<td>Richard Bailey</td>
<td>Yes</td>
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<td>Regional Planning Committee</td>
<td>Mary Salas</td>
<td>Yes</td>
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Regional Planning Technical Working Group Comments on the Potential SANDAG Regional Housing Needs Assessment Allocation Methodology Tool

City of San Diego Planning Department, Laura Black (Submitted May 13)

• The City of San Diego continues to support the RHNA calculator in the prior and current format.

City of Poway Development Services, David De Vries (Submitted May 14)

• For the RHNA Subcommittee, please consider previous comments submitted and the following attached and below.

• Thank you RHNA Subcommittee members for your efforts on the RHNA Plan.

• The City of Poway is in support of your recommendation for the 65% transit/35% jobs split.

• Should the split deviate from this in the future, please keep in mind that there is no known research done for the San Diego region that shows that jobs near housing reduces vehicle miles traveled (VMT) and greenhouse gases (GHG) emissions.

• According to SANDAG, over 90% of Poway residents commute out of Poway for work even though the City has a higher percentage of job centers in comparison to the region meaning requiring additional housing only exacerbates VMT and GHG emissions.

• City staff has no reason to believe that future additional housing units would change these commuting patterns.

• Regarding the equity share, City staff analysis is showing that a larger allocation of affordable housing units to affluent cities will result in a substantially reduced amount of housing units built in the region.

• There is a fixed amount of housing subsidies for affordable housing and using that money to fund affordable housing projects in affluent cities results in a significantly less number of affordable housing units built in the region. For example, a two bedroom/two bathroom condominium selling for $900,000 ($5,000 mortgage) requires a $4,000 monthly housing subsidy for a low income household that is required to pay no more than $1,000 per month towards housing.

• Conversely, a $250,000 condo ($1,500 mortgage) in a less affluent community only requires a $500 subsidy. In this scenario, eight housing units can be built in the less affluent community for every one housing unit built in the more affluent community.

• In keeping with the goal to meet the Regional Housing Needs, City staff recommends reducing the equity share distribution to be one-quarter or one-half that of the equity distribution proposed by SANDAG.

• For Poway, this would result in a 10 to 20% increase in the number of low income housing units allocated to the City versus the current 40 percent increase.

• Also, we recommend that the equity share pertain only to very low, low and moderate income categories, not above moderate income categories.

• Affluent jurisdictions have the greatest chance at meeting their housing needs in the above moderate category and reducing this allocation will disincentivize jurisdictions from building housing units after they have met their needs in that category.
• Less affluent jurisdictions can count market rate apartments and accessory dwelling units towards meeting their RHNA in the moderate and low income categories so providing a higher allocation to these jurisdictions in these categories will give them the best opportunity to meet their housing needs without using housing subsidies.

• Please see attached slide and thanks for your consideration.

City of Imperial Beach Community Development, Tyler Foltz (Submitted May 16)

• IB recommends a 65/35 weight for transit/jobs and 80/20 weight for rail & rapid/high frequency transit because it promotes the use of rail/rapid and because standard bus stops/routes have less investment and can be moved at any time.

• In addition, we recommend that the jobs-housing adjustment be used and support an equity adjustment to encourage a mix of housing types throughout the County.

City of National City Planning, Raymond Pe (Submitted May 16)

• The City is supportive of the proposed methodology to address equity through the RHNA Calculator Tool as presented at the May 9, 2019 TWG meeting.

• The magnitude of the equity adjustment was appropriate as used in the specific example given.

City of Coronado Community Development, Richard Grunow (Submitted May 16)

• Coronado’s primary concerns with the RHNA formula is that it would disproportionately impact Coronado due to the inclusion of military jobs and a raw count of bus stops with 15 minute or better intervals.

• We strongly believe Coronado is unique in the SD region because no other jurisdiction is as impacted by the presence of a military base within its city limits. NASNI occupies nearly 70% of Coronado’s land area, approximately 25% of its population, and over 45% of its total jobs.

• We believe inclusion of NASNI significantly and unreasonably escalates Coronado’s RHNA share, particularly since very few military personnel live off-base in Coronado and the City gets no credit for the Navy’s subsidized housing for active duty sailors.

• We also do not agree that military jobs are comparable to university and college jobs as others have suggested. Anyone can apply to work at a specific college or university without being ordered to deploy to another city or state. Active duty military cannot choose where they are deployed.

• We also question whether Coronado’s provision of convenient bus service to our residents and tourists has had the unintended consequence of elevating our housing allocation.

• Although I don’t have data to support it, I suspect Coronado has a much higher concentration of high-quality bus stops than other agencies, which also likely exceeds industry standards.

• Last year, MTS approached us about eliminating several bus stops because they felt several were redundant and unnecessary. The City chose to keep all of the current stops because we want to maximize ridership on our free summer shuttle and to encourage residents to use public transportation.

• Bottom line: we don’t think it would be reasonable for a 2.2 square mile City with a civilian population of ~19K to accommodate up to 1,800 new units/4,500 residents during the next housing cycle.
City of Solana Beach Community Development, Joseph Lim (Submitted May 16)
(See attached letter)

City of Oceanside Planning Department, Jeff Hunt (Submitted May 16)

- We appreciate and support the process that SANDAG staff has initiated for this RHNA cycle. The process has helped focus the discussion towards key factors.
- We suggest the Govt Code Objectives 65584(d) be relied upon in reviewing the key factors.
- The following are the few remaining factors for which the TWG needs to provide input. We have included the Oceanside Planning staff’s recommendations for each.
- Percent of Rail & Rapid vs High Frequency Transit
  Recommend: 0%-50%. Per SANDAG’s 2018 commuter survey, 3% use buses and 3% use trains/trolleys.
- Jobs Total vs Jobs:Housing:
  Recommend: Jobs:Housing. This better achieves the goal of getting homes near jobs which reduces commuting and is specifically listed in the Govt Code Objectives. A study in England found 21% chose their home due to proximity to their job; while being near transit wasn’t listed as a reason.
- Percent of Transit vs Jobs:Housing
  Recommend: 50%-50%. While transit is an important factor, we think Jobs:Housing is equally important as it reduces commuting and it promotes active transportation. Also, only New York has greater than 50% transit ridership and San Francisco has 33%. Finally, there are other non-driving-alone modes besides transit, such as carpools, vanpools, rideshare, etc.
- Equity
  Recommend: Equity factor be included. The Govt Code Objectives seek a “mix of housing … in all cities … in an equitable manner”.

City of San Marcos Planning Department, Karen Brindley (Submitted May 17)

- The City generally agrees with the planning principles that have been incorporated into the tool.
- It is recommended that the transit factor should greater than 60% (up to a maximum of 75%).
- The City supports retaining the weight distribution within the transit factor (75%/25%). Bus stops are more likely to be modified based on ridership fluctuations, so the greater weighting should be allocated to rail/rapid.
- It is recommended the Jobs factor should be based using a jobs/housing adjustment rather than quantity of jobs in a jurisdiction, with a weighting of 100%. Total jobs should be used rather than only civilian jobs.
- The City supports using the equity factor. This will assist with distribution of lower income housing throughout the region and is consistent with State law.
- The City does not support using a jurisdiction’s General Plan capacity as a factor.
GOAL: MEET HOUSING NEEDS WITH EQUITABLE SHARE

AFFLUENT COMMUNITY
• Housing is built for above-moderate income households with no deed restrictions

LESS AFFLUENT COMMUNITY
• Apartments and Accessory Dwelling Units are affordable to low and moderate income households with no deed restrictions

ANALYSIS:
FOR EVERY AFFORDABLE HOUSING UNIT BUILT IN AN AFFLUENT COMMUNITY, FIVE TO TEN HOUSING UNITS COULD BE BUILT IN A LESS AFFLUENT COMMUNITY. BOTH A $900,000 CONDO ($5,000 MORTGAGE) AND A $250,000 CONDO ($1500) CAN ONLY GET $1,000 IN HOUSING PAYMENTS FROM A LOW INCOME HOUSEHOLD. A $4,000 SUBSIDY VERSUS A $500 SUBSIDY RESPECTIVELY.

PROPOSAL:
1) ALL JURISDICTIONS RETAIN THEIR ABOVE-MODERATE HOUSING REQUIREMENT AT 42.5%. WE HAVE A CHANCE TO MEET THESE GOALS FOR EACH JURISDICTION.
2) LESS AFFLUENT COMMUNITIES INCREASE THEIR MODERATE AND LOW INCOME HOUSING UNIT DISTRIBUTION AND AFFLUENT COMMUNITIES INCREASE THEIR VERY LOW AND EXTREMELY LOW INCOME HOUSING UNIT DISTRIBUTION. LOWER INCOME COMMUNITIES PROVIDE LESS DEED RESTRICTED UNITS.
3) LIMIT THE TRANSFER OF AFFORDABLE HOUSING UNITS TO ¼ OR ½ THE CURRENT EQUITY ALLOCATION.
May 16, 2019

SANDAG
Attn.: Seth Litchney, Regional Planner
401 B Street, Suite 800
San Diego, CA 92101

RE: RHNA Calculator Tool – City of Solana Beach Comments

Dear Seth,

Thank you for the opportunity to further comment on the RHNA Calculator Tool. The following are Solana Beach staff comments/concerns regarding the Tool:

• While using Jobs-to-Housing ratio as an adjustment for total jobs seems reasonable, the City of Solana Beach still has concerns with the data (housing units and jobs) that is in the RHNA Calculator Tool. This data must be corrected in the RHNA Calculator Tool. The 2013-2017 American Community Survey has the City of Solana Beach with 6,665 total housing units. The existing housing unit estimates of 6,497 in the RHNA Calculator is also lower than the 2010 Housing unit estimates (6,521) that SANDAG has as fast facts for the City of Solana Beach. By applying a lower housing number in the RHNA Calculator Tool it increases the Jobs-to-Housing ratio giving the City more units. Additionally, the Jobs data also seems to be further skewing the City’s fair share by assessing a higher number of jobs than the Preliminary 2050 Regional Growth Forecast for 2020 (7,823) that is published by SANDAG in the City’s Fast Facts. This over estimation of 1,328 jobs further exacerbates the City’s Jobs-to-Housing ratio in the RHNA Calculator. Using the 2013-2017 ACS Housing units and the 2020 Regional Growth Forecast jobs the City’s Jobs-to-Housing ratio would be 1.17 versus 1.41 that is currently used in the RHNA Calculator.

• Rail & Rapid Transit vs. High-Frequency Transit (HFT) – At this point we believe that the Rail stop is weighted unusually high as a result of being grouped with Rapid Transit. Rail (i.e. Coaster and Amtrak) and Rapid Transit (i.e. Trolley/Sprinter/Sprinter Express/Rapid Transit) are very different. The availability and frequency of Rail is much lower than Rapid Transit and therefore Rail is much less desirable or used as regular mode of transport for commuting throughout the region because of the limited access to key destinations. Based on the 2016 Smart Growth Concept Map, Rapid Transit, both existing and future expansion plans, connect to many more destinations than Rail. Therefore, Rail should not be grouped with Rapid Transit or HFT. Rail should be separated out from Rapid Transit and have a much lower weighting than Rapid Transit and HFT. Rail should be no more than 15% of the weighting, with the remaining Rapid Transit at 50% and HFT at 35%.

If there are no additional changes to the RHNA Calculator Tool, and since Rail stops are weighted unusually high as a result of being grouped with Rapid Transit, the Rail & Rapid sub factor should be changed to a 50-50% weighting between R&R and HFT as opposed to the 75-25% split that was presented by staff and considered by the RHNA subcommittee.
Transit vs. Jobs weighting – Transit and Jobs are key variables. While each jurisdiction should strive to have a Jobs-Housing ratio of 1.0, it is necessary to have transit network that connects all areas of housing and jobs, because it is unrealistic that everyone will work in the area they live. Therefore, the weighting of Transit should be slightly higher than Jobs. A minimum 60% weighting for Transit and 40% for Jobs is reasonable. I will reiterate that Rail should be separated from Rapid Transit within the Tool.

Jobs-Housing Ratio Weighting – A Jobs-Housing Ratio is supported as a factor for the RHNA Calculator Tool provided the jobs and housing numbers are more reflective of the numbers that the City has been working from over the past decade. The numbers that are currently in the Tool do not seem to reflect statistics used by SANDAG in other regional planning or growth forecasting information. Please see first bullet regarding our concerns. We believe that the ratio of jobs to housing within the City is much closer to 1.17 than the 1.41 that is reflected in the Calculator Tool.

Equity Adjustment – As discussed at the TWG meeting, there are concerns related to using an equity adjustment to allocate the number of low- and very low-income units in RHNA. Not knowing the details of how the equity adjustment would be allocated makes it difficult to comment on the methodology, however, intuitively requiring more affordable housing for low-income and very low-income in areas that do not have as much low- or very low-income units will only exacerbate the housing problem. Requiring proportionately more development of affordable housing projects in more affluent areas with higher land costs will require more financial subsidies that neither the state nor local jurisdictions just have, and will only further create a larger gap in the number of housing that will be developed. Most jurisdictions, particularly more affluent ones, already have inclusionary housing requirements making housing projects difficult to pencil. Even if cities could require a greater percentage of the units to be affordable, it would likely result in fewer projects being developed. This in turn would likely create an even greater demand for housing since projects can’t be developed further driving existing housing prices even higher. Therefore, we recommend that the breakdown (percentage) of affordable housing units should be applied to all jurisdictions equally across the region.

Additional Equity Adjustment question – Is the proposed adjustment based on the number of existing affordable housing units in a jurisdiction? It shouldn’t be. If there is going to be an equity adjustment, it should be based upon the number of affordable housing units entitled/permited during the current RHNA cycle. The City has approved 49 affordable housing units during the past 6 years which is approximately 13% of the City’s last RHNA allocation. The City has approved 110 new units which is approximately 32% of the City’s last RHNA allocation, as well as approved redevelopment of 322 existing apartment units. For such a small jurisdiction these types of numbers are significant but are not being considered as part of the RHNA allocation process.

A response to the concerns raised regarding the jobs and housing numbers would be greatly appreciated. We did not get a response from our last request. Please consider the suggested RHNA Calculator Tool adjustments above. If you have any questions please let me know.

Sincerely,

Joseph Lim, AICP
Community Development Director