REGIONAL PLANNING COMMITTEE

Friday, May 7, 2004
12 noon – 2 p.m.
SANDAG
401 B Street, Conference Room A (8th Floor) *
San Diego, CA

AGENDA HIGHLIGHTS

• RESULTS OF THIRD ROUND OF WORKSHOPS ON THE REGIONAL COMPREHENSIVE PLAN (RCP)

• SMART GROWTH OPPORTUNITY AREAS AND PRINCIPLES FOR SMART GROWTH INCENTIVE PROGRAM

• DETERMINATION OF REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)

* PLEASE NOTE CHANGE OF MEETING ROOM

MISSION STATEMENT

The Regional Planning Committee provides oversight for the preparation and implementation of the Regional Comprehensive Plan that is based on the local general plans and regional plans and addresses interregional issues with surrounding counties and Mexico. The components of the plan include: transportation, housing, environment (shoreline, air quality, water quality, habitat), economy, borders, regional infrastructure needs and financing, and land use and design components of the regional growth management strategy.
Welcome to SANDAG! Members of the public may speak to the Regional Planning Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip which is located in the rear of the room and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Members’ Comments. Speakers are limited to three minutes. The Regional Planning Committee may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed at www.sandag.org/rcp under Regional Planning Committee on SANDAG’s Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than Noon, two days prior to the Regional Planning Committee meeting.

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ITEM # | RECOMMENDATION
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+1. APPROVAL OF APRIL 2, 2004 MEETING MINUTES (pp. 5-10) | APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public will have the opportunity to address the Regional Planning Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each. This item also is an opportunity for Regional Planning Committee members to make comments or announcements.

CONSENT ITEM

+3. RECOMMENDED PERFORMANCE MEASURES FOR INCLUSION IN THE REGIONAL COMPREHENSIVE PLAN (RCP) (Beth Jarosz) (pp. 11-15) | ACCEPT

Attached are lists of annual and periodic performance indicators recommended by the Regional Planning Technical and Stakeholders Working Groups for inclusion in the Performance Monitoring chapter of the final Regional Comprehensive Plan (RCP). The Committee is requested to accept the recommended performance measures.

REPORTS

+4. INITIAL RESULTS OF THIRD ROUND OF WORKSHOPS ON THE REGIONAL COMPREHENSIVE PLAN (Janet Fairbanks) | INFORMATION

SANDAG recently completed the third round of RCP workshops. They were structured in an open house setting to provide an informal setting where residents could ask questions, discuss issues, and give comments and feedback on the draft RCP and its draft Environmental Impact Report (EIR). A summary of results will be distributed at the meeting and will be presented to the SANDAG Board at its May meeting.

+5. RECOMMENDATIONS ON SMART GROWTH OPPORTUNITY AREAS AND PRINCIPLES FOR SMART GROWTH INCENTIVE PROGRAM (Stephan Vance) (pp. 16-35) | ACCEPT

Attached are recommendations from the Regional Planning Technical and Stakeholders Working Groups on the Smart Growth Area Classifications Matrix, guidelines for strengthening the local/ regional plan connection, and principles for a smart growth incentive program. The SANDAG Board of Directors discussed the matrix at their April meeting; the attached matrix reflects their comments. SANDAG’s Transportation Committee and Cities/County Transportation Advisory Committee will review the Matrix and the principles for incentives, and their comments will be reported at the meeting. The Regional Planning Committee is requested to discuss and accept the attached reports for inclusion in the Urban Form and Implementation chapters of the final RCP. A follow-up report will be presented to the SANDAG Board at their May meeting.
6. DETERMINATION OF THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) FOR THE 2005-2010 HOUSING ELEMENT CYCLE (Susan Baldwin) (pp. 36-48)

The RCP proposes to better link land use and transportation planning and to provide incentives to promote smart growth and increase housing production. Additionally, California housing element law requires that regions and their local jurisdictions plan for their share of the state's housing need through the Regional Housing Needs Assessment (RHNA) process and general plan housing elements. This report updates the Regional Planning Committee on RHNA issues and the timeline for completion of this work.

7. AD HOC WORKING GROUP ON TRANSPORTATION AND LAND USE COORDINATION (Kim Kawada)

As part of the Early Actions of the Strategic Initiatives, an Ad Hoc Working Group on Transportation and Land Use Coordination has been formed. The Working Group consists of members of the Technical Working Group, the Stakeholders Working Group, and the Cities/County Transportation Advisory Committee (CTAC). The group has met several times to help develop guidelines for the preparation of transportation corridor studies and subarea transportation/land use plans and implementation programs. Recommendations from the AHWG will be incorporated into the revised Transportation chapter of the final RCP. A verbal report on the progress of the AHWG will be made.

8. UPCOMING MEETINGS

The next meeting will be a joint meeting among the Regional Planning Committee, the Technical Working Group, and the Stakeholders Working Group to review a full version of the revised draft Regional Comprehensive Plan. The meeting will be held on **Monday, May 24, 2004 from 9:30 – 12 noon**. Given construction that will be taking place at SANDAG on that date, the meeting will be held at the **City of San Diego Concourse**. Additional details on the location and parking arrangements will be included in the agenda packet.

Additionally, due to the May 24 meeting, the regularly-scheduled June 4, 2004 meeting had been cancelled. Due to the schedule for the Regional Housing Needs Assessment determination process, this meeting is being reinstated, and will be held on **Friday, June 4, from 12 noon – 2 p.m. at SANDAG**.

Committee members are requested to mark their calendars with these dates, times, and locations.

9. ADJOURNMENT

+next to an agenda item indicates an attachment
The Regional Planning Committee meeting was called to order by Committee Chair Lori Holt Pfeiler at 12:06 p.m. The attending Committee members, alternates, and advisory members were as follows: Lori Holt Pfeiler (North County Inland); Judy Ritter (North County Inland); Maggie Houlihan (North County Coastal); Patty Davis (South County); Patricia McCoy (South County); Jim Madaffer (City of San Diego); Bill Horn (County of San Diego); Bill Figge (Caltrans); Leon Williams (MTS); David Druker (NCTD); Niall Fritz (Regional Planning Technical Working Group) and Lynne Baker (Regional Planning Stakeholders Working Group).

Chair Holt Pfeiler welcomed all to the meeting. Self introductions were made.

1. APPROVAL OF MARCH 5, 2004 MEETING MINUTES

**Action:** A motion and second was made to approve the minutes of the March 5, 2004 meeting. Two committee members abstained.

2. PUBLIC COMMENTS/COMMUNICATIONS

Chair Pfeiler announced that Mike McLaughlin, SANDAG’s Division Director of Land Use, will be retiring next month, and this will be his last Regional Planning Committee meeting. Chair Pfeiler noted that Mike has always brought consensus to the planning community, which takes great skill. She presented Mike with a softball signed by all Committee members, in appreciation of all that he has done for SANDAG and the region.

Chair Pfeiler noted that item #8 – Energy Working Group Recommendation to SANDAG Board of Directors - will be discussed now.

8. ENERGY WORKING GROUP RECOMMENDATION TO SANDAG BOARD OF DIRECTORS

Staff noted that the newly formed Energy Working Group recommended to the SANDAG Board that comments should be submitted when the California Public Utilities Commission (CPUC) makes its decision regarding cost allocation for long-term energy contracts. The SANDAG Board voted to be proactive and requested that the CPUC hold public hearings in the San Diego region once its decision has been made. Staff currently is drafting those comments, which will be forwarded to the CPUC when completed.
CONSENT AGENDA (Item 3)

3. **DRAFT PROGRAM ENVIRONMENTAL IMPACT REPORT**

Staff reported that on March 26, 2004, the SANDAG Board released the draft Program Environmental Impact Report (EIR) for the Regional Comprehensive Plan for a 45-day public review period, ending May 13, 2004. Committee members will receive a copy of the draft EIR. Additional copies of the draft EIR will be made available at the upcoming RCP workshops, and staff will be at those workshops to answer any questions that may arise.

REPORTS

4. **SIGN-UP SHEET FOR REGIONAL COMPREHENSIVE PLAN (RCP) WORKSHOPS**

Chair Pfeiler commented that a sign-up sheet will be circulated to allow all members to sign up to participate at as many RCP workshops that they can. It is important for the elected officials to attend these workshops to show support and better educate the public on the RCP.

Mayor Houlihan requested that an electronic version of the workshop flyer be forwarded to each jurisdiction outlining their respective workshops.

5. **UPDATE ON SMART GROWTH OPPORTUNITY AREAS**

The Committee was provided with the Smart Growth Working Group's progress on defining smart growth opportunity areas and categories. The Smart Growth Working Group was tasked with: refining smart growth categories; preparing guidelines for incorporating smart growth opportunity areas into local general and community plans; developing a smart growth opportunity area concept map; developing a smart growth categories matrix; and developing guidelines for a smart growth incentive program. The Smart Growth Working Group will continue to meet and provide a progress report to the joint meeting of the Regional Planning Technical and Stakeholders Working Group at a later date. In addition, staff will be meeting with local jurisdictions in April 2004 to discuss and refine the smart growth opportunity area matrix and will report back to the Regional Planning Committee in May 2004.

Committee comments/concerns included:

- Regarding the map, specifically the EIR, it appears that there are no exclusions for smart growth projects.

- Regarding the treatment of the unincorporated areas in the proposed matrix, what part of funding will be dedicated to the transit services for the north county.
• There needs to be services added to connect with the current north county transit system. Is there a way to increase the services or change the priority of the existing services?

• Committee members requested clarification between a low-rise and high-rise building.

• Committee members questioned if the concept is to redevelop areas to where the streets are more narrow and walkable.

• Staff should create a list of potential funding sources for the proposed projects. It is important for the Committee to see something concrete.

• It would be useful to determine how much funding will be made available from the TransNet Extension, as well as the current available funding. It is possible that a portion of developer impact fees could be directed towards these projects. Traffic calming issues also should be addressed. The community will be more accepting if the total plan is presented to them.

• There isn’t enough funding to support the current transit system. However, under the proposed TransNet extension, transit centers should be included in the list of projects to allow for more funding for transit. The developers should not have a problem with creating transit centers. The Committee is kidding itself if it thinks that it can add additional transit services when there isn’t enough funding for the current transit services.

• Under the new “pay for performance” program at San Diego State University, there needs to be an outline of what exactly will be funded so the incentives will actually work.

• At Mira Costa College, student bus passes are subsidized to encourage students to use transit. This past semester, there was an increase in student ridership. If the students were to drive, they would have to pay for a parking pass and currently, the cost of a bus pass is less expensive than a parking pass.

• As a result of the increase in gas prices, the Coaster had its best month ever, in March 2004.

• In the future, funding will be allocated to the areas that do the best in promoting smart growth.

Staff commented that the Air Pollution Control District (APCD) has a grant to fund a temporary program for the Otay Ranch Villages to obtain express bus services to downtown San Diego. These types of additional funding sources will be identified over time.

6. PRIORITIES FOR REGIONAL COMPREHENSIVE PLAN STRATEGIC INITIATIVES

The Committee was updated on what has been happening since last month’s meeting regarding the priorities for Regional Comprehensive Plan (RCP) strategic initiatives. Staff
pointed out the relationship between the RCP goals and strategic initiatives and identified the lead agency for each category and other participants that are needed to accomplish each goal.

Committee members made the following comments:

- Noticed that there aren’t any indicators for the college students. Housing is a critical issue for students. Suggested that the colleges be incorporated into this document.

- Recently, the City of San Diego has identified an area at San Diego State University as a pilot smart growth project.

- Schools should be added to the system where transit is located and should be included as a strategic initiative.

- There should be some incentive to farmers to not sell their property. This activity could be done by providing them with a check each month. Under the Williamson Act, farmers used to get a break on their property taxes. There was a fee of $22 to be protected. The land owners that have large parcels should be incentivized to not separate their land. Carrots should be offered.

- As the smart growth concept map is developed, we should communicate with the K-12 system.

- Entertainment areas that are developed have not been addressed in the RCP. Those are issues that need to be discussed. There is a need to understand how those facilities will be growing and how they can be incorporated into the current transit plan.

- The State of Maryland changed its funding structure and created state support for development of agriculture. There needs to be state legislation that diminishes the use of penalties and instead provides incentives for the maintenance of both agriculture and urban areas. There could be a fund created to compensate owners to not utilize their land.

- Staff should develop an infrastructure matrix when discussing water. There needs to be a realistic, scientific, non-political discussion on this issue.

- A land owner has a well in Fallbrook that taps into the Colorado River and has offered to sell water to anyone that would like to purchase it. No one has taken him up on this offer. The City of San Marcos is the only jurisdiction that has tapped into this well.

- The Committee needs to be realistic about providing replacement housing and what that means. Economically, this issue is very expensive.

Staff will formulate the comments received and bring this issue back to the Committee for discussion before including it into the final RCP.
7. PERFORMANCE INDICATORS FOR THE REGIONAL COMPREHENSIVE PLAN

The Committee was briefed on the discussions with the Technical and Stakeholders Working Groups over the past two months regarding developing the proposed list of indicators, where the indicators would be focused on monitoring overall regional progress toward achieving the goals and objectives of the RCP, and the number of indicators to be tracked would be balanced with available resources. Performance indicators answer the question, “Is the Regional Comprehensive Plan having a positive impact on the region?,” and fall into the broad categories of: urban form/transportation; housing; healthy environments; economic prosperity; public facilities; and borders. The indicators also interrelate with the “three E’s” (Economy, Environment, and Equity) of sustainability. The Working Groups noted that annually-updated data sources are somewhat limited and recommended adding detailed “periodic” indicators, to be updated every 3-5 years, to provide additional detail and analysis to the monitoring effort.

Committee comments:

- Performance indicators may not be available on a regular basis but could be considered on a cyclical basis.

- The performance indicators should not be limited to what staff has proposed.

- There is no indication where the water is coming from. It would be helpful if the Committee had more information on desalination.

- A target for the end of the plan needs to be determined. Peak period and transit ridership should be at some level. There should also be interim goals, i.e., in 2005 you get x; in 2006 you get y. The Committee needs to determine the long-term goal in order to determine the short-term goal.

Staff and the Working Groups are working on setting targets for the annual performance indicators. This issue will be discussed at the joint Technical and Stakeholders Working Group meeting on April 8, 2004. After that meeting, the Working Groups will make a formal recommendation to the Regional Planning Committee at the Committee’s May 7, 2004 meeting.

Public Comment

Barbara J. Winton, a San Diego resident, brought up several points regarding safety issues while riding the trolley. She pointed out that there are no street lights at some of the transit stops and no safe places to park your car. She encouraged the Committee to be cognizant of these issues when making future plans for transit in the region.

9. UPCOMING MEETINGS

Two Regional Planning Committee meetings are scheduled in May. The first meeting will be held on Friday, May 7, 2004, from 12 noon – 2 p.m., and the second, a joint meeting
between the Regional Planning Committee and its working groups, will be held on Monday, May 24, 2004, from 9:30 a.m. – 12 noon.

10. ADJOURNMENT

Chair Pfeiler adjourned the meeting at 1:37 P.M.

BOB LEITER
Director of Land Use and Transportation Planning

Key Staff Contact: Carolina Gregor, (619) 699-1989; cgr@sandag.org
Introduction

Over the past four months, the Regional Planning Stakeholders and Technical Working Groups have discussed indicators for monitoring overall regional progress toward achieving the goals and objectives of the Regional Comprehensive Plan (RCP). Based on the goals and objectives of the RCP, the working groups’ suggestions, and available data, staff has developed lists of recommended RCP performance measures (Tables 1 and 2).

Performance indicators answer the question, “Is the Regional Comprehensive Plan having a positive impact on the region?” and fall into the broad categories of:

- Urban Form/Transportation
- Housing
- Healthy Environment
- Economic Prosperity
- Public Facilities
- Borders

The indicators also interrelate with the “three E’s” of sustainability (Economy, Environment, and Equity). Sustainability is a key concept included in the draft RCP, and is defined as follows in the plan: “Sustainability means simultaneously meeting our current economic, environmental, and community needs while also ensuring that we aren’t jeopardizing the ability of future generations to meet their needs.” The performance measures include both annual indicators and periodic studies.

Recommendation

At their last meeting, the Stakeholders and Technical Working Groups recommended forwarding the attached indicators to the Regional Planning Committee. The Regional Planning Committee is asked to accept the attached lists of indicators for inclusion in the revised Performance Monitoring chapter of the final RCP.
Discussion

Recommended Annual Indicators

Comments from members of the Technical and Stakeholders Working Groups and the Regional Planning Committee were taken into consideration in developing the list of recommended annual indicators, and suggestions were incorporated wherever possible. The recommended list is attached (Table 1). The list of annual performance measures will continue to evolve over time as new technologies and new monitoring projects improve the data resources available.

Recommended Periodic Indicators

An additional recommendation that grew out of working group discussions is that more detailed information (such as the bird atlas) should be incorporated into the monitoring report. This type of analysis may not be available on an annual basis but provides relevant information for assessing the region's quality of life and progress toward implementing the RCP. Thus, periodic indicators will be incorporated. The list of proposed periodic indicators is attached (Table 2).

Baseline Report and Targets

In Fall 2004, a baseline monitoring report will be published. The baseline report will feature data on each of the annual indicators, including historical trends and current conditions.

Targets for the performance measures will be developed over the coming months with the Regional Planning Committee and its working groups. The methodology and timeline for determining five-year and 2030 targets, as requested by the Regional Planning Committee at its last meeting, will be outlined in the final RCP. Numeric targets are expected to be published in the baseline monitoring report, which will be released this fall.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments

Key Staff Contact: Beth Jarosz, (619) 699-6997; bja@sandag.org
<table>
<thead>
<tr>
<th>PROPOSED INDICATOR</th>
<th>5-YEAR TARGET*</th>
<th>2030 TARGET*</th>
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<tbody>
<tr>
<td><strong>1. URBAN FORM / TRANSPORTATION</strong></td>
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<tr>
<td>A. Share of new units and jobs located in Smart Growth Opportunity Areas</td>
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<td>B. Share of new housing units within County Water Authority water service boundary</td>
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<td>C. Annual weekday transit ridership</td>
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<td>D. Commute mode shares (Share of commuters using Single Occupancy Vehicles (SOV), carpool, transit, walking, biking, etc.)</td>
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<td>E. Travel times and volumes for key auto corridors and key transit corridors (for auto vs. transit comparison and for same-corridor changes over time)</td>
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<td>F. Miles of deficient roads on Congestion Management Program (CMP) network</td>
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<td>G. Annual hours of delay per capita</td>
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<td>H. Regional crime rates</td>
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<td><strong>2. HOUSING</strong></td>
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<td>A. Housing Affordability Index (index comparing median home ownership costs to median income)</td>
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<tr>
<td>B. Percent of households with housing costs &gt;35% of income</td>
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<td>C. Ratio of new jobs to new housing units</td>
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<td>D. Share of new and existing units by structure type (single family, multi-family) and income category</td>
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<td>E. Vacancy rates</td>
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<td>F. Percent of households living in overcrowded conditions</td>
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<td>G. Number of households on the waiting list for Section 8 (housing assistance) Vouchers</td>
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<td><strong>3. HEALTHY ENVIRONMENT</strong></td>
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<td><strong>NATURAL HABITATS</strong></td>
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<td>A. Habitat conserved within designated preserve areas (acres and percent of preserve area)</td>
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<td>B. Percent of preserve area actively maintained (trash removal)</td>
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<td><strong>WATER QUALITY</strong></td>
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<td>A. Number of beach closures and advisories per rainfall inch (total number of beach closures divided by rainfall inch as measured at Lindbergh Field)</td>
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<td>B. Impaired waterbodies (miles or acres) based on Federal Clean Water Act 303(d) criteria</td>
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<tr>
<td>SHORELINE PRESERVATION</td>
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<tr>
<td>A. Beach widths</td>
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<td>B. Lagoon health (salinity, dissolved oxygen levels) in the region's lagoons</td>
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<tr>
<th>AIR QUALITY</th>
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<tr>
<td>A. Air Quality Index (number of days &quot;unhealthy for sensitive groups&quot; with AQI &gt; 100)</td>
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<tr>
<th>4. ECONOMIC PROSPERITY</th>
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<tr>
<td>A. Regional unemployment rate compared to state and nation</td>
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<tr>
<td>B. Real per capita income</td>
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<td>C. Regional poverty rate compared to state and nation</td>
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<td>D. Employment growth in high-wage economic clusters</td>
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<td>E. Educational attainment (Share of adult population with high school, college, and graduate education)</td>
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<th>5. PUBLIC FACILITIES</th>
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<tr>
<td>WATER SUPPLY</td>
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<tr>
<td>A. Water consumption per capita and total</td>
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<td>B. Diversity of water supply (share of regional water supply, by source)</td>
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<td>C. Amount of reclaimed water used</td>
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<tr>
<th>ENERGY</th>
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<tbody>
<tr>
<td>A. Kilowatthours of electricity used per capita at peak hours</td>
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<tr>
<td>B. Share of energy produced in-county vs. imported</td>
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<tr>
<td>C. Share of energy produced from renewable resources</td>
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<tr>
<th>WASTE MANAGEMENT</th>
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<tr>
<td>A. Percent of waste that is recycled</td>
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<td>B. Landfill space available</td>
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<th>6. BORDERS</th>
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<tbody>
<tr>
<td>A. Border wait times for Secure Electronic Network for Travelers Rapid Inspection (Sentri) lanes, and non-Sentri lanes</td>
</tr>
<tr>
<td>B. Interregional commute volumes into San Diego from surrounding counties and Baja California (number of San Diego workers who live outside county)</td>
</tr>
<tr>
<td>C. Participation in Sentri Lanes, pedestrian commuter program, Free and Secure Trade (FAST) program</td>
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* 5 year and 30 year targets will be developed in conjunction with regional lead agencies and will be reported in the baseline indicators report in Fall 2004.
Table 2
RECOMMENDED LIST OF PROPOSED PERIODIC RCP INDICATORS

<table>
<thead>
<tr>
<th>Category</th>
<th>Indicators</th>
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<tbody>
<tr>
<td>1. URBAN FORM / TRANSPORTATION</td>
<td>A. Change in acreage of parks and agricultural land</td>
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<td></td>
<td>B. Measure of walkability and bikeability</td>
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<tr>
<td></td>
<td>C. Miles of regional arterials with Level of Service &quot;F&quot;</td>
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<tr>
<td>2. HOUSING</td>
<td>A. Number of homeless persons</td>
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<tr>
<td>3. HEALTHY ENVIRONMENT:</td>
<td>A. Bird, plant and mammal atlases</td>
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<td></td>
<td>B. Satellite imagery analysis of impervious surfaces</td>
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<tr>
<td>4. ECONOMIC PROSPERITY</td>
<td>A. Income distribution (percent of households considered to be in the low income category)</td>
</tr>
<tr>
<td>5. BORDERS</td>
<td>A. Number of interregional commuters into San Diego from surrounding counties and Baja California as a share of total workforce</td>
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INITIAL RESULTS OF THIRD ROUND OF WORKSHOPS
ON THE REGIONAL COMPREHENSIVE PLAN

The Regional Comprehensive Plan (RCP) work program involves an extensive public involvement program, including three rounds of subregional workshops. The first round of workshops was held from January through March, 2003 and focused primarily on refining the regional vision and core values, which serve as the foundation for the RCP. The second round of workshops was held in September 2003 and focused on obtaining input on the draft goals, policy objectives, and actions to be included in the RCP. The third, and final, round of workshops was held last month and focused on receiving input from the public on the draft RCP and the draft Environmental Impact Report (EIR).

The Regional Planning Committee and its Stakeholders and Technical Working Groups (SWG and TWG) helped design the workshop content and organization and were present at the workshops to interact with the public.

The third round of workshops was designed as an “open house” to provide an informal setting where residents could ask questions, discuss issues, and offer comments and feedback on the draft RCP and draft EIR. These workshops presented another opportunity for residents to come together as a community to weigh in on important issues that will affect our region’s future.

Overview of Workshop Results

Six workshops were held throughout the region in the cities of Encinitas, Vista, San Diego, Chula Vista, El Cajon, and Oceanside. Attendance by local elected officials, members of the SWG and TWG and the public was approximately 100 participants.

Four “stations” were set up, to help guide the public to particular areas of interest. The “ABCs of the RCP” station was designed to provide general information about the RCP for those citizens who were new to the process and therefore not familiar with the RCP. A power point presentation was provided to guide citizens through the document. The “Vision for the Future” station provided an overview of the many different topics covered by the RCP. The station covered the heart of the RCP and how we are going to address all of these issues in the future. The “How Do We Get There?” station focused on the implementation program; how we are going to put the plan in action. And finally, a station was set up to answer questions and receive input on the draft EIR.

Comment cards were available at each station for citizens to provide written comments. Also, a court reporter was at each workshop to record citizen’s oral comments.
Approximately 70 comments were received at the workshops. Staff is in the process of reviewing, responding, and as appropriate, modifying the final document to reflect the comments. All comments received on the RCP, either at the workshops, by letter, fax, or e-mail will be responded to and bound together as an appendix to the RCP. Staff will prepare a report for your next meeting summarizing changes made to the final document, indicating if the change is a result of a public comment. Some of the public’s suggested additions and revisions will not be included in the final draft. A summary of these comments and the reasons for not including them in the final draft will also be prepared.

BOB LEITER
Director of Land Use and Transportation Planning

Key Staff Contact: Janet Fairbanks, (619) 699-6970; jfa@sandag.org
RECOMMENDATIONS ON SMART GROWTH OPPORTUNITY AREAS AND RELATED ITEMS

Introduction

Attached are recommendations from the Regional Planning Technical and Stakeholders Working Groups on the Smart Growth Area Classifications for the San Diego region, guidelines for strengthening the local/regional plan connection, and guidelines for a smart growth incentive program. The SANDAG Board of Directors discussed the smart growth matrix at their April meeting; the attached matrix reflects their comments.

Recommendation

The Regional Planning Committee is asked to accept the attached reports for inclusion in the Urban Form and Implementation chapters of the final Regional Comprehensive Plan (RCP).

Background

The draft RCP states that in addition to meeting regional mobility objectives, SANDAG's transportation funds also should provide incentives for local agencies to implement land use decisions that support smart growth.

The Urban Form chapter of the draft RCP states that the first step toward focusing SANDAG's infrastructure investments in support of smart growth is to identify the location of potential "smart growth opportunity areas" (SGOA's). The draft plan identifies initial categories for opportunity area, and calls for the refinement of the categories between the release of the draft RCP and the adoption of the final plan.

Over the past several months, the Regional Planning Committee and its Technical and Stakeholders Working Groups have been working on three tasks associated with the smart growth discussions in the draft RCP. Specifically, their work has focused on:

1. Refining and expanding the smart growth area classifications to include seven general smart growth categories and developing a matrix that reflects the refined categories (Attachment 1);
2. Preparing guidelines for strengthening the local/regional plan connection (Attachment 2); and
3. Developing a framework for a smart growth incentive program that encourages smart growth development in appropriate locations (Attachment 3).
The smart growth matrix, the guidelines for strengthening the local/regional plan connection, and principles for a smart growth incentive program will be included in the final RCP.

During FY 2005, local jurisdictions and SANDAG will work together to develop a Smart Growth Concept Map, showing the location of two levels of smart growth areas for each of the seven defined categories: areas where smart growth development currently exists or where smart growth is currently included in local plans, and areas with future opportunities for smart growth development.

The SANDAG Board of Directors will be asked to accept the Smart Growth Concept Map as an addendum to the RCP in late FY 2005. The Concept Map will serve as a guide to where SANDAG should focus its incentive funds to promote smart growth and will be used as a critical tool in updating the Regional Transportation Plan (RTP), further strengthening the links between local and regional land use and transportation plans.

Discussion

Classifications of Smart Growth Areas

The Regional Planning Committee and its working groups have been working on developing a matrix of Smart Growth Area Classifications for the San Diego region (Attachment 1). The matrix has been refined to reflect discussion by the SANDAG Board at their April meeting.

The matrix was originally developed by examining several regional efforts in other areas of the nation, including typologies developed by the Denver Regional Council of Governments and the Santa Clara Valley Transit Authority, as well as other contemporary resources, and then compiling data on existing and planned residential and employment intensities for a sampling of areas within the San Diego region.

The matrix includes recommendations for desired ranges of development and employment intensities within each category. In addition, proposed land use and transportation system characteristics for each smart growth area type have been developed. The transportation system characteristics were derived from the existing RTP, matching public transit and other regional transportation facilities and services to appropriate levels of urban development. This ensures that smart growth areas will have the level of public transit service needed, and that transit service is deployed where the land uses can best support it. Urban design features that generally apply across all categories of smart growth areas also are identified.

The matrix will be used as the basis for identifying the smart growth areas to be included in the Smart Growth Concept Map and as the foundation for developing the criteria for the smart growth incentive program, discussed later in this report.

In an effort to build consensus for the SGOA definitions and density ranges, the matrix has been reviewed by the planning staffs of each local jurisdiction. The attached matrix reflects comments and suggestions received at the jurisdictional meetings, comments from the last joint meeting between the working groups on April 22, 2004, and comments by the SANDAG Board at their April 23, 2004 meeting. At their joint meeting, the Technical and Stakeholders Working Groups
unanimously recommended that the Regional Planning Committee accept the matrix for inclusion in the revised Urban Form chapter of the final RCP.

Guidelines for Strengthening the Local/Regional Plan Connection

The Technical and Stakeholders Working Groups also have been developing proposed Guidelines for Strengthening the Local/Regional Plan Connection (Attachment 2). The concept behind the guidelines is to provide a framework for local jurisdictions to consider where their local plans might better connect to the goals and policy objectives of the RCP. With that common understanding of the relationship between the local and regional plans, the guidelines could also be used to assist SANDAG in developing criteria for making funding decisions that would provide incentives for local jurisdictions.

In developing the guidelines, the working groups recognized that, because of the focus in the RCP on encouraging smart growth land uses in key locations (the “smart growth opportunity areas”), local jurisdictions will want to consider how their plans can better connect with the RCP goals and objectives at two levels:

1. What RCP goals and policy objectives are applicable to the entire planning area, and how they might be connected to local general plans and community plans; and
2. What goals and policy objectives are applicable to specific smart growth opportunity areas, and how they might be reflected through general plans, community plans, specific plans, redevelopment plans, development regulations, and other adopted policies.

The guidelines will serve as a tool to strengthen the connection between local land use plans, zoning ordinances, and design standards, and the Regional Comprehensive Plan. They can be used by local jurisdictions as they update their plans and policies, and by SANDAG as it develops criteria for incentive programs and as it prepares its next Regional Transportation Plan. The working groups unanimously recommended support of the attached guidelines to the Regional Planning Committee.

Smart Growth Incentive Program

The Stakeholders and Technical Working Groups also have been working on ideas and recommendations for a smart growth incentive program and made a recommendation of support to the Regional Planning Committee on the attached Framework for Smart Growth Incentive Program (Attachment 3).

A survey of smart growth incentive programs from around the country has been conducted. Existing incentive programs in other regions tend to focus on community-level planning efforts, and smaller-scale capital projects like streetscape enhancements, and pedestrian and bicycle improvements. Several regions provide incentives for building housing by offering grants based on the number of bedrooms built within specified areas. Grant programs range in size from a low of $1 million per year for the Atlanta Regional Council’s Livable Centers Initiative to $500 million over 25 years for a variety of funding programs being implemented by the Sacramento Area Council of Governments.

The final RCP will include principles for an incentive program for the San Diego region, as outlined in Attachment 3, building upon the concepts and categories contained in the smart growth matrix.
Final program development will occur next fiscal year, with the first funding cycle likely to occur when SANDAG has the opportunity to program Transportation Enhancement Activity (TEA) funds available through the 2004 State Transportation Improvement Program (STIP).

Summary and Next Steps

The concepts included in the matrix of Proposed Smart Growth Area Classifications, the Guidelines for Strengthening the Local/Regional Plan Connection, and the Framework for Smart Growth Incentive Program will be included in the revised Urban Form and Implementation chapters of the final RCP.

The revised draft RCP will be presented to the Regional Planning Committee and its working groups for review at their May 24, 2004 joint meeting. The SANDAG Board of Directors will be asked to verify the final EIR and adopt the revised final Regional Comprehensive Plan on June 25, 2004.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments

Key Staff Contact: Stephan Vance, (619) 699-1924; sva@sandag.org
### Smart Growth Design Principles

The following design principles apply to all categories and are critical to the success of smart growth:

- **Human-scale built environment that creates uniqueness and identity**
- **Vertically and horizontally mixed use development, with vertical mixed use located near transit stations**
- **Robust transportation choices that complement the intensity of development within the Smart Growth Opportunity Area (SGOA)**
  - Strong pedestrian orientation: network of streets & pedestrian paths, narrower street scales, special designs to facilitate pedestrian crossings at intersections, and the walker having precedence
  - Bike access/locker facilities and park-n-ride facilities woven in the human-scale design
  - Transit station(s) located centrally within main activity area(s); transit user amenities located adjacent to stations (e.g. child care facilities, coffee bars, dry cleaning drop-off)
- **Nearby recreational facilities and public plazas**

<table>
<thead>
<tr>
<th>Category</th>
<th>Land Use Type Characteristics</th>
<th>Land Use Intensity Targets</th>
<th>Transportation System Characteristics</th>
<th>Public Transit Service Characteristics</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Metropolitan Center  | - Draws from throughout the region  
- Metropolitan center has several SGOA designations  
- Regional commercial/retail center  
- Regional civic/cultural center | - Desired Building Types: Mid-to high-rise residential and office/commercial  
- 75+ du/ average net residential acre within ¼ mile radius of transit station  
- 80+ employees/average net acre within ¼ mile of transit station | - Access from several freeways with multiple access points  
- Hub transit system  
- Regional hub for numerous local, corridor, regional transit lines  
- Shuttle services and pedestrian orientation for internal trips | - Served by numerous corridor/regional/local services  
- Very high frequency service (<15 minute) throughout the day on all corridor/regional services  
- High frequency service (15 minute) all day on most local services  
- Multiple station locations, with several key transfer points  
- Internal shuttle system | - Downtown San Diego |
| Urban Center         | - Employment draws from throughout region, while other uses draw mainly from subregional area  
- Urban centers likely located within larger area that has several SGOA designations  
- Mixed use employment  
- Civic/cultural facilities | - Desired Building Types: Mid-to high-rise residential and office/commercial  
- 40-75+ du/average net acre residential within ¼ mile radius of transit station  
- 25+ du/ac for mixed use sites within ¼ mile radius of transit station  
- 50+ employees per net acre within ¼ mile of transit station | - Freeway connections with multiple access points  
- Served by several corridor/regional transit lines + several local services  
- Possible shuttle routes for internal trips  
- Minimal park-and-ride facilities—access should be handled by internal shuttle system | - Served by several corridor/regional lines & several local services  
- High to very high frequency service (<15 minute peak) on all corridor/regional services  
- High frequency throughout the day on all lines  
- Key transit center, along with multiple smaller station locations  
- Possible internal shuttle system | - Existing and Planned:  
- Rio Vista (Mission Valley (San Diego)  
- Little Italy (San Diego)  
- Costa Verde (University City) (San Diego)  
- The Boulevard Marketplace Pilot Village (San Diego)  
- Morena Linda Vista (San Diego)  
- East Urban Center (Chula Vista) |
## PROPOSED SMART GROWTH AREA CLASSIFICATIONS (Pg 2 of 4)

<table>
<thead>
<tr>
<th>Category</th>
<th>Land Use Type Characteristics</th>
<th>Land Use Intensity Targets</th>
<th>Transportation System Characteristics</th>
<th>Public Transit Service Characteristics</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Town Center  | • Draws mainly from immediate subregional area  
               • Residential and office/commercial, including mixed use  
               • Civic/cultural facilities | • Desired Building Types: Low- to mid-rise  
               • 20-45+ du/average net acre within ¼ mile radius of transit station or connecting transit service  
               • 30-50 employees/average net acre within ¼ mile of transit station or connecting transit service | • Served by one or more corridor/regional transit line and several local services  
               • May also be served by regional arterials | • Served by 1-2 corridor/regional line or <5 minute shuttle distance from corridor/regional station, + multiple local services  
               • Very high frequency service (<15 minute peak) on corridor/regional service or connecting shuttle  
               • High frequency throughout the day on most lines  
               • Multiple station locations, some with central access/transfer point  
               • Shared-use parking or dedicated park-and-ride facilities for regional transit services | Existing and Planned:  
               • Downtown Oceanside  
               • Downtown Escondido  
               • Downtown Encinitas  
               • Downtown La Mesa  
               • Downtown El Cajon  
               • Downtown Chula Vista  
               • La Jolla (San Diego)  
               • Village Center Pilot Village (Euclid/Market) (San Diego)  
               • Hillcrest (San Diego)  
               • Heart of the City (San Marcos)  
               • Vista Village Transit Center  
               Potential SGOA:  
               • Grantville Trolley Station (SD)  
               • San Marcos Creek Specific Plan |
| Community Center | • Draws from nearby community/neighborhoods  
                    • Residential and commercial, including mixed use  
                    • Possible community-serving civic uses | • Desired Building Types: Low- to mid-rise  
                    • 20-45+ du/average net acre within ¼ mile of transit station | • Served by at least one corridor or regional transit line  
                    • Served by arterials and/or collector streets | • Served by at least one corridor/regional service  
                    • High frequency service (15 minute peak) on corridor/regional services  
                    • Moderate to high frequency throughout the day  
                    • One or more on-street stations | Existing and Planned:  
                    • Otay Ranch Villages  
                    • Mercado (Barrio Logan) (San Diego)  
                    • Mira Mesa Market Center (San Diego)  
                    • Pacific Highlands Ranch (SD)  
                    • Downtown Lemon Grove  
                    • Downtown Coronado  
                    • San Elijo/La Costa Meadows Community Center (San Marcos)  
                    Potential SGOAs:  
                    • Solana Beach/ NCTD Mixed Use Site  
                    • Lakeside (County)  
                    • Spring Valley (County) |
## Proposed Smart Growth Area Classifications (Pg 3 of 4)

<table>
<thead>
<tr>
<th>Category</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Transit Corridor</strong></td>
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<td></td>
<td>Existing and Planned:</td>
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<tr>
<td></td>
<td>- Draws mainly from several nearby communities</td>
<td>- Desired Building Types: A variety of low-, mid-, and high-rise</td>
<td>- Located along a major arterial</td>
<td>- Generally served by a corridor/regional line + local services</td>
<td>- El Cajon Blvd (Mid-City)</td>
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<td></td>
<td>- Residential and office/commercial, including mixed-use</td>
<td>- 25-75+ du/average net acre along transit corridor and within ¼ mile of transit stations</td>
<td>- Served by a corridor/regional service, or local services with &lt;10 minute travel time of corridor/regional line station</td>
<td>- High frequency service (15 minute in peak) on corridor/regional and/or local services</td>
<td>- Washington Ave (Mission Hills)</td>
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<td></td>
<td>- Linear size with length extending from &gt;1 mile long, and width extending 1-2 blocks outward from corridor</td>
<td>- Employment: Commercial and retail supportive uses</td>
<td>- Multiple station locations, with one or more on-street transfer locations with intersecting services.</td>
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<td>- University Avenue (La Mesa)</td>
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<td>- South Santa Fe Transit Corridor (Vista)</td>
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<td>Potential SGOAs:</td>
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<td></td>
<td>- El Camino Real (Encinitas)</td>
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<tr>
<td><strong>Special Use Center</strong></td>
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<td>Existing and Planned:</td>
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<td></td>
<td>- Employment draws from throughout region, with other uses being community serving</td>
<td>- Desired Building Types: A variety of low-, mid-, and high-rise</td>
<td>- Nearby freeway access</td>
<td>- Generally served by one or more corridor/regional line + local services</td>
<td>- Grossmont Center/ Hospital/Trolley Station (La Mesa)</td>
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<td></td>
<td>- Special use centers may be located within larger area that has several SGOA designations</td>
<td>- 45+ employees/average net acre within ¼ mile of transit station</td>
<td>- Served by one or more corridor/regional lines and local services</td>
<td>- High to very high frequency service (15 minute or better in peak) on corridor/regional services</td>
<td>- The Paseo at SDSU (San Diego)</td>
</tr>
<tr>
<td></td>
<td>- Dominated by one non-residential land use</td>
<td>- Optional residential: 50+ du/average net residential acre</td>
<td>- May be served by shuttle service for internal trips</td>
<td>- Moderate to high frequency throughout the day</td>
<td>- Chula Vista Bayfront</td>
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<td></td>
<td>- Retail support services</td>
<td></td>
<td></td>
<td>- Multiple station locations, with possible central access/transfer point</td>
<td>- Palomar College (San Marcos)</td>
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<td>- Cal State San Marcos</td>
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<td>Potential SGOAs:</td>
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<td></td>
<td>- Ocean Ranch / Rancho Del Oro Industrial Complex (Oceanside)</td>
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<td>- Vista County Courthouse Area</td>
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</table>
### PROPOSED SMART GROWTH AREA CLASSIFICATIONS (Pg 4 of 4)

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<thead>
<tr>
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<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Village Core *</td>
<td>Village Core is concentrated area of residential and commercial development within overall village.</td>
<td>For Village Core: 10-30+ du/average net acre (residential or mixed use)</td>
<td>Concentrated local road network within village, with connection to urban areas</td>
<td>Village Cores should include or allow for bus stops and an expansion of bus service in higher density areas</td>
<td>Existing and Planned: Ramona, Fallbrook, Alpine, Julian. Potential SGOA: Valley Center</td>
</tr>
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<td></td>
<td>Draws from nearby rural areas</td>
<td>20+ employees/net average acre</td>
<td>Bicycle and pedestrian-friendly street design in Village Core</td>
<td>Served by one or more local services</td>
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<td></td>
<td>Low-rise employment and residential</td>
<td>Possible park-n-ride facilities near major road or transit corridor</td>
<td>Possible local transit service; or central access point for possible corridor/regional peak transit line</td>
<td>Moderate frequencies throughout the day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Civic center</td>
<td>Possible local transit service; or central access point for possible corridor/regional peak transit line</td>
<td></td>
<td>Possible peak period corridor/regional service with transit stations located within village core</td>
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</table>

**Potential SGOAs: Areas discussed at local and regional meetings with local planning directors that are not currently included in existing plans and policies, but may offer the potential for additional smart growth**

**Land Use Intensity Measurements per Net Acre:**

- Residential = Total dwelling units divided by built or planned residential acreage net of public right-of-way
- Employment = Total employees divided by built or planned office, commercial, and retail acreage net of public right-of-way
- Mixed Use = Total dwelling units divided by built or planned residential acreage net of public right-of-way and any other non-residential uses (e.g., commercial, retail, etc.)

**Land Use Building Type Definitions:**

- Low Rise = 2-3 stories
- Mid-Rise = 4-6 stories
- High Rise = 7+ stories

**Transit Service Definitions:**

- Shuttle services (Green Car) – Designed for short-distance trips in neighborhood/employment areas, and feeder access to/from corridor & regional services
- Local services (Blue Car) – Designed for shorter-distance trips with frequent stops (e.g. current local bus services)
- Corridor services (Red Car) – Designed for medium distance trips with station spacing about every mile on average (e.g. trolley services, future arterial based BRT routes)
- Regional services (Yellow Car) – Designed for longer distance trips with stations spacing every 4-5 miles on average (e.g. Coaster, future freeway-based BRT routes)

* Rural Village Core within Unincorporated Rural Villages

The County of San Diego’s draft GP2020 defines rural villages as distinct communities that include concentrated areas of residential and commercial development contained by a Village Limit Line. Villages typically range from 1,000 to 7,000 acres (but could be as small as 150 acres) and are located within or partly within the San Diego County Water Authority water service boundary. Villages contain densities that range from 2 - 29 du/acre, with the lowest density typically located near the Village Limit Line. Each village contains a Village Core with residential densities ranging from 10.9 - 29 du/acre. Lowest densities within villages are typically located near Village Limit Lines, with preliminary floor area ratios (FAR’s) of .25 within the Village Limit Line (likely higher within the Village Core). The villages form up to 20% of the overall community, with the remainder encompassing semi-rural and rural lands.
The following proposed guidelines serve as a tool to strengthen the connection between local land use plans and the Regional Comprehensive Plan. Because of the focus in the RCP on encouraging smart growth land uses in key locations (the “smart growth opportunity areas” (SGOA’s), the guidelines help make connections between local and regional plans at two levels: the entire planning area (general and community plans), and more specifically, the SGOA’s. The guidelines can be used by local jurisdictions as they update their plans and policies, and by SANDAG as it prepares the next RTP and develops criteria for incentive programs.

<table>
<thead>
<tr>
<th>(1) GENERAL PLAN / COMMUNITY PLAN</th>
<th>(2) SMART GROWTH OPPORTUNITY AREAS (SGOA’S)</th>
<th>(3) RCP GOALS AND POLICY OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRANSPORTATION</strong></td>
<td>a. Incorporate all Circulation Element transportation facilities into specific plan for the SGOA.</td>
<td>a. Develop a flexible, sustainable, and well integrated transportation system that focuses on moving people and goods.</td>
</tr>
<tr>
<td></td>
<td>b. Include specific programs such as TDM and TSM strategies for SGOA.</td>
<td>b. Implement the Regional Transportation Plan 2030 Mobility Network.</td>
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<tr>
<td></td>
<td>c. Where appropriate, include plans for transit priority measures in SGOA.</td>
<td>c. Provide a wide range of convenient, efficient, and safe transportation choices.</td>
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<tr>
<td></td>
<td>d. Include design guidelines and strategies to promote pedestrian and bicycle use in SGOA.</td>
<td>d. Reduce congestion on freeways and arterials.</td>
</tr>
<tr>
<td></td>
<td>e. Include strategies to finance and construct necessary transportation system improvements concurrent with development in SGOA.</td>
<td>e. Develop a network of fast, convenient, high-quality transit services.</td>
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<td></td>
<td>f. Include policies and strategies addressing goods movement.</td>
<td>f. Improve service levels and quality of transit service.</td>
</tr>
<tr>
<td></td>
<td>g. Include policies and strategies to improve intermodal connectivity.</td>
<td>g. Create more walkable and bicycle-friendly communities.</td>
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<tr>
<td></td>
<td>h. Give priority to regional roadway and transit investments in smart growth opportunity areas (SGOA’s).</td>
<td>h. Give priority to regional roadway and transit investments in smart growth opportunity areas (SGOA’s).</td>
</tr>
<tr>
<td></td>
<td>i. Provide improved access to goods movement centers and intermodal facilities.</td>
<td>i. Provide improved access to goods movement centers and intermodal facilities.</td>
</tr>
<tr>
<td></td>
<td>j. Improve connectivity of different transportation modes.</td>
<td>j. Improve connectivity of different transportation modes.</td>
</tr>
</tbody>
</table>
URBAN FORM

a. Designate appropriate urban land uses in areas most accessible to existing and planned regional transportation facilities and other public facilities (i.e., SGOA’s), using “Smart Growth Categories” as guidelines included in the final RCP.
b. Include policies and strategies to protect natural biological communities and wetlands from adverse effects of urban land uses, and to preserve natural features, such as canyons, and small parks in our urban areas.
c. Include policies and strategies that promote development of walkable communities, while recognizing the importance of preserving existing community character.
d. Include policies and strategies that place a high priority on providing adequate public facilities and services to SGOA’s.
e. Include policies and strategies to encourage redevelopment and infill development in SGOA’s.
f. Include policies and strategies to address land use compatibility.

a. Include policies and strategies to ensure that the appropriate mix and intensity of land use is achieved in the SGOA.
b. Include policies and guidelines to ensure that urban design within the SGOA meets regional and local goals within the context of local community character.
c. Include policies to ensure that adequate public facilities can be provided in or near the SGOA.
d. Include policies that provide incentives for development or redevelopment in the SGOA.

e. Focus future population and job growth away from rural areas and closer to existing and planned job centers and public facilities.
b. Protect agricultural areas and high-value habitat areas.
c. Protect natural systems and other open space areas that define the character of our communities.
d. Create safe, walkable, and vibrant communities that are designed and built to be accessible to people of all abilities.
e. Preserve the positive aspects and unique sense of place of existing communities, while allowing flexibility for change.
f. Place high priority on public facility investments that support compact, mixed use, accessible walkable neighborhoods that are conveniently located to transit.
g. Improve existing public facilities in smart growth areas to mitigate the impact of higher intensities of use.
h. Facilitate redevelopment and infill development.
i. Protect public health and safety by avoiding and/or mitigating incompatible land uses.
### Housing

<table>
<thead>
<tr>
<th>1</th>
<th>General Plan / Community Plan</th>
<th>2</th>
<th>Smart Growth Opportunity Areas (SGOA’s)</th>
<th>3</th>
<th>RCP Goals and Policy Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Include an updated Housing Element that provides sites with appropriate densities that would meet with the most recently adopted Regional Share Allocation in the Regional Housing Needs Assessment.</td>
<td>(a)</td>
<td>Provide incentives for additional housing capacity in SGOAs.</td>
<td>(a)</td>
<td>Provide a variety of affordable and quality housing choices for people of all income levels and abilities.</td>
</tr>
<tr>
<td>(b)</td>
<td>Contain policies and strategies to provide housing for people of all income levels and abilities.</td>
<td>(b)</td>
<td>Provide a variety of affordable and quality housing choices for people of all income levels and abilities.</td>
<td>(b)</td>
<td>Increase the supply and variety of housing choices, especially multi-family housing, for residents of all ages and income levels.</td>
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<tr>
<td>(c)</td>
<td>Include policies and strategies to minimize displacement of residents when redevelopment and revitalization occurs.</td>
<td>(c)</td>
<td>Include policies and strategies to ensure that an appropriate number and mix of housing units affordable to all income categories is included in plans for SGOA’s.</td>
<td>(c)</td>
<td>Provide an adequate supply of housing for our region’s workforce to minimize interregional commuting.</td>
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<td>(d)</td>
<td>Include an updated Land Use Element that provides adequately planned and zoned land to meet housing needs identified in the Housing Element.</td>
<td>(d)</td>
<td>Include policies and strategies that ensure that an appropriate number and mix of housing units affordable to all income categories is included in plans for SGOA’s.</td>
<td>(d)</td>
<td>Increase homeownership.</td>
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<td>(e)</td>
<td>Include policies and strategies to ensure that an appropriate number and mix of housing units affordable to all income categories is included in plans for SGOA’s.</td>
<td>(e)</td>
<td>Provide an adequate number and mix of housing units in the SGOA to help the jurisdiction meet its share of regional housing needs for all income categories.</td>
<td>(e)</td>
<td>Minimize the displacement of lower income and minority residents as housing costs rise when redevelopment and revitalization occurs.</td>
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<td>(f)</td>
<td>Include policies and strategies that promote maintenance of safe, healthy, environmentally sound, and accessible housing.</td>
<td>(f)</td>
<td>Integrate housing with jobs, transit, schools, recreation, and services, creating more livable neighborhoods and mixed use communities.</td>
<td>(f)</td>
<td>Maintain, preserve, and rehabilitate the existing housing stock.</td>
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<td>(g)</td>
<td>Provide safe, healthy, environmentally sound, and accessible housing for all segments of the population.</td>
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<td><strong>HEALTHY ENVIRONMENT</strong></td>
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<tr>
<td>a. Designate sensitive lands for appropriate non-urban land uses.</td>
<td>a. Where applicable, provide for preservation of on-site natural biological communities and wetlands in accordance with adopted plans.</td>
<td>a. Preserve and maintain natural biological communities and species native to the region.</td>
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<td>b. Include policies and strategies to minimize impacts on sensitive lands of adjoining urban uses.</td>
<td>b. Provide for mitigation of water quality impacts.</td>
<td>b. Protect our region’s wetlands.</td>
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<td>c. Include policies and strategies to minimize impact of new development and redevelopment on water quality.</td>
<td>c. Where applicable, ensure appropriate uses for designated beach and near shore areas.</td>
<td>c. Restore, protect, and enhance the water quality and the beneficial uses of local coastal waters, inland surface waters, and ground water.</td>
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<td>d. Include policies and strategies to eliminate or reduce existing sources of water pollution.</td>
<td>d. Include strategies to implement regional and local air quality policies.</td>
<td>d. Reduce or eliminate pollutants in our region’s water bodies.</td>
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<td>e. Designate beaches and near shore areas for appropriate land uses.</td>
<td>e. Preserve and enhance the region’s beaches and near shore areas as environmental and recreational resources.</td>
<td>e. Achieve and maintain federal and state clean air standards.</td>
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<tr>
<td>f. Include policies and strategies to preserve and enhance beaches and near shore areas.</td>
<td>f. Achieve and maintain federal and state clean air standards.</td>
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<td>g. Include policies and strategies to minimize air pollution from stationary sources.</td>
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<td>h. Include policies and strategies to encourage energy-efficient design in new development and redevelopment.</td>
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### ECONOMIC PROSPERITY

**a.** Designate adequate land with appropriate zoning and services to meet future employment needs.

**b.** Include policies and strategies that address jobs/housing balance within a subregional or local context.

**c.** Include policies that facilitate coordination with educational institutions in siting appropriate educational facilities.

**d.** Include policies and strategies that promote efficient regulatory processes and fee structures.

**a.** Ensure that the mix of residential and non-residential land uses within the SGOA is consistent with general plan goals and policies regarding jobs - housing balance.

**b.** Include policies and strategies that address jobs/housing balance within a subregional or local context.

**a.** Ensure a rising standard of living for all of our residents.

**b.** Position the San Diego regional to better compete in the global economy.

**c.** Produce more high-quality jobs in the region.

**d.** Foster growth in the region’s emerging high technology industries.

**e.** Provide an adequate supply of housing for our region’s workforce.

**f.** Offer broad access to education and workforce development opportunities for all residents.

**g.** Improve the business environment.
### PUBLIC FACILITIES

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<tr>
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<tbody>
<tr>
<td>a. Include policies and strategies to reduce water use and to utilize recycled water to the maximum extent possible.</td>
<td>a. Provide bicycle and pedestrian paths in smart growth opportunity areas.</td>
<td>a. Ensure a safe, sufficient, reliable, and cost-efficient water supply for the region.</td>
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<tr>
<td>b. Include policies and strategies to reduce energy consumption.</td>
<td>b. Meet the region’s energy needs in a fiscally and environmentally sound manner.</td>
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<td>c. Include policies and strategies to increase waste stream diversion in accordance with regional goals.</td>
<td>c. Minimize the need for additional landfills and provide economically and environmentally sound resource recovery, management, and disposal facilities.</td>
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<td></td>
<td>d. Exceed the state-mandated 50 percent waste stream diversion rate by the year 2005 and work toward a 75 percent diversion rate.</td>
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29
PUBLIC FACILITY FINANCING

a. Include general plan policies that includes performance standards, an assessment existing and projected deficiencies, and policies and strategies to mitigate deficiencies over time.

b. Include policies and strategies to ensure that capital improvement programs support priorities established in the general plan and community plans.

c. Include policies and strategies that encourage capital improvement projects serving SGOA’s.

d. Include policies and strategies that encourage the provision of adequate facilities concurrent with need resulting from new development and redevelopment.

e. Include policies and strategies to ensure that new development pays its fair share for regional transportation facilities and other appropriate infrastructure needs through development impact fees or other measures set forth in regional plans and implementing programs.

a. Regularly assess the ability of our infrastructure to handle change and maintain our quality of life.

b. Align our infrastructure plans with our RCP goals and objectives.

c. Create a planning framework that coordinates and links long term visionary goals with shorter term capital expenditures across service providers.

d. Directly link transportation and other infrastructure capital improvement programming to land use decisions that support the urban form and design goals in the RCP.

e. Provide adequate infrastructure improvements prior to or concurrent with the population growth occurring in smart growth opportunity areas.

f. Develop incentive based methods for prioritizing transportation and other infrastructure improvements to encourage changes that support the smart growth goals and objectives of the RCP.

g. Ensure adequate funding to cover the capital, operational, and maintenance costs of the regional transportation system (Transportation Chapter).
PROVIDING INCENTIVES FOR SMART GROWTH

Successful implementation of the Regional Comprehensive Plan will require incentives for “smart growth” development that meets the goals and policies of the RCP. There are a number of different approaches to providing such incentives.

Regional Transportation Network Funding Based on Smart Growth

Because urban form is so critical to the success of the future regional transportation system, and conversely, because transportation is so critical to the success of urban form, SANDAG’s funding decisions regarding priorities for the expansion and improvement of the regional transportation system should be linked to existing and planned land uses that are recognized as being supportive of regional transportation goals.

For example, decisions regarding priorities for future regional transit, arterial, and highway corridor projects should be based in part on how well local communities have planned for “smart growth” land uses that facilitate a robust set of transportation choices that increase mobility. These decisions, including, for example, investments in enhanced transit services and stations, and highway improvements serving rural villages, should be based in part on how well smart growth opportunity areas incorporate the smart growth principles contained in the RCP. These types of priorities should be reflected in the criteria that are used for prioritizing transportation projects (see discussion in RCP Chapter 4B, “Setting Priorities for Transportation Improvements.”)

Direct Financial Incentives for Smart Growth Development

There is growing recognition that smart growth development, particularly in redeveloping areas, can require significant up-front investments in infrastructure other than regional transportation facilities. To meet these needs, the Regional Transportation Plan recommended that a “Smart Growth Incentive Program (SGIP)” be established, starting with a 5-year, $25 million pilot incentive program.

A wide variety of project types could be funded through the SGIP. The potential project types identified below are based on research on similar programs developed in other regions, including the existing Transportation for Livable Communities program in the Bay Area, the proposed projects in the Sacramento area Metropolitan Transportation Plan, and in Portland, Oregon.

Types of Projects on Which Smart Growth Incentive Funds Could be Used

Community Design Planning. The key to implementing successful SGOA’s is the application of good urban design principles that reflect the values and character of the individual communities. Successful community planning and development can ensure that public areas are attractive and inviting places that are well-integrated with the surrounding communities. The SGIP can provide funding support to jurisdictions that have identified a need to amend their codes or develop specific plans to reflect smart growth urban design principles.
Community-based planning studies help develop community support for smart growth urban design principles, and for specific area plans in SGOA’s. The studies also could identify the improvements necessary for a community to ensure that: SGOA’s provide a healthy set of transportation choices that increase mobility; transit stations and surrounding areas are attractive and transit-friendly; and SGOA’s are walkable places. These improvements could then be the basis for future SGIP grant applications for capital projects. It is recommended that SANDAG staff participate directly in these planning studies to provide technical assistance, and to ensure that project goals are met. Local planning grants typically would include extensive community outreach and visioning, concept plans and drawings, construction cost estimates, and implementation plans.

Transportation Enhancements within Smart Growth Opportunity Areas. The SGIP could support capital projects that enhance the connections between the transportation/transit network and smart growth areas. Typical projects would include small-scale transportation improvements that enhance local communities and town centers through improved bicycle and pedestrian circulation, traffic calming, and transit station area enhancements such as shelters and benches. Transit stations on regional transit routes would be developed by SANDAG as part of the regional transit project, but would be coordinated with local improvement plans.

Streetscape and Public Plazas Enhancements. Civic plazas and other public places that improve the walkability and the human scale of the SGOA could be funded under the program. Projects could include providing street trees and other landscaping, public art, and the provision of public seating. Projects outside what is conventionally considered the public right of way would be beyond the scope of what is supported by most traditional transportation funding sources, and would require innovative funding strategies.

Public Parking. With enhanced transportation choices, including walkability and increased public transit services, the demand for parking can be reduced, but parking will remain a significant cost of development. The walkability of smart growth areas can be improved when parking is centralized in community parking structures, particularly as part of a mixed use project. Commercial development and affordable housing opportunities can also be encouraged if on-site parking requirements can be reduced. Providing structured public parking can require a significant investment, and may not be an eligible cost under some transportation funding programs, but SANDAG should investigate strategies to fund community parking projects.

Housing Incentives. Increased housing density near major transit hubs produces numerous regional benefits in the form of more housing choices, increased mobility, increased transit ridership, reduced auto dependency, and less land consumption. Providing affordable housing also helps meet regional goals for increasing housing for lower-income communities. A housing incentive program may be appropriate to consider in the SGIP in the San Diego region if a feasible array of programs could be established.

Transit Oriented Development (TOD) Investment Programs. A funding program to stimulate private investment in high-density, pedestrian-friendly commercial and residential projects near transit stations could be established. Through a series of cooperative agreements, this program could be used to fund site acquisition. Station area properties could be acquired, planned, re-parceled, and sold with conditions to private developers for constructing transit-oriented development. In many cases the land value could be reduced via public agency acquisition and conveyance to a developer to cover the extraordinary development costs required to construct a TOD project, especially where
affordable housing is included. In such cases, a "highest and best transit use" appraisal could be used to establish the sale price of the property.

POTENTIAL FUNDING SOURCES FOR A REGIONAL SMART GROWTH INCENTIVE PROGRAM

Because the RCP calls for SANDAG to coordinate its transportation investments with local land use decisions, all transportation funds that SANDAG programs can, to some extent, provide incentives for smart growth development. How this strategy is implemented will be determined as SANDAG updates its transportation project prioritization process in the first phase of RCP implementation and subsequent Regional Transportation Plan updates. For the Smart Growth Incentive Program, available funding sources include federal transportation funds and, potentially, TransNet local transportation sales tax revenue. State transportation funding programs that are not administered by SANDAG could be used by local jurisdictions to provide smart growth incentives, and a variety of non-transportation state and federal funding programs also are available to local jurisdictions.

Federal Transportation Programs. Most funding programs administered by the Federal Highway Administration could be used for projects that support smart growth. Surface Transportation Program (STP) funds may be used to support highway, public transit, or bicycle and pedestrian projects. The Transportation Enhancement Activities (TEA) program is a subcategory of the STP program established to fund non-traditional transportation related projects. Among the types of projects eligible under this program are bicycle and pedestrian facilities, preservation of historic structures related to the transportation network, and landscaping and highway beautification. SANDAG has previously used the TEA program to support TOD projects. The Congestion Mitigation and Air Quality (CMAQ) program sets aside funding specifically for projects that reduce air pollution or congestion, and cannot be used to construct roadways for use by single occupant vehicles. SANDAG could dedicate a portion of these funds to the Smart Growth Incentive Program.

TransNet. Ultimately, SANDAG anticipates funding the SGIP from the Smart Growth Incentive Program that is a component of the draft ordinance for the extension of the TransNet local transportation sales tax. Assuming the TransNet Extension is approved by the voters in November 2004, this program would take effect in 2009. The ordinance sets aside two percent of the TransNet revenues for the Smart Growth Incentive Program, which would generate approximately $280 million (in 2002 dollars) over the 40-years the sales tax extension would be collected. The draft ordinance specifies that the program would provide funding for “a broad array of transportation-related infrastructure improvements that will assist local agencies in better integrating transportation and land use, such as enhancements to streets and public places, funding of infrastructure needed to support development in smart growth opportunity areas consistent with the Regional Comprehensive Plan, and community planning efforts related to smart growth and improved land use/transportation coordination.” It also specifies that funds will be allocated on a regional competitive grant basis, and that the funds should be used to match federal, state, local, and private funding to maximize the number of improvements to be implemented.

The Local Streets and Roads program in the TransNet Extension also permits local jurisdictions to use their formula funds for projects that would support smart growth development. Among the eligible uses for these funds are community infrastructure improvements to support smart growth development, capital improvements needed to facilitate transit services and facilities, and operating support for local shuttle and circulator routes and other services.
Because the TransNet Extension would be a local source of funds administered by SANDAG, it would allow considerable flexibility with regard to how the funding could be used. However, because the new TransNet ordinance would not go into effect until 2009, other funding sources need to be identified if the Smart Growth Incentive Program is to begin in the near term.

Transportation Development Act (TDA) Funds. The TDA is a state sales tax supported program administered locally by SANDAG. Each year, SANDAG allocates two percent of the TDA funds for bicycle and pedestrian projects. The projects are selected based on an array of criteria that include the amount of population and employment that the project would serve. Once the Smart Growth Concept Map is developed, the criteria could be modified to encourage projects in Smart Growth Opportunity Areas.

State Transportation Grant Programs. The State of California offers grants under several programs that, if awarded to local jurisdictions, could be applied to smart growth areas. These programs include Safe Routes to School, the Bicycle Transportation Account, Community Based Transportation Planning Demonstration Grant Program, and the Environmental Enhancement and Mitigation Program.

Non-transportation Funding Sources. A wide array of non-transportation funding sources could be used to support smart growth. These typically are competitive grant programs that are administered by state or federal agencies. The State Department of Housing and Community Development (HCD) offers several programs to assist with the provision of housing. The Department of Parks and Recreation offers grant programs for habitat conservation and recreational facilities. At the federal level, the Department of Housing and Urban Development, U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency, and the Economic Development Administration administer grant programs to support community development, housing, habitat protection, and economic development.

LOCAL INCENTIVES FOR SMART GROWTH

In addition to developing a regional smart growth incentive program based on the approach outlined above, local jurisdictions should consider providing local incentives to promote smart growth. For example, the City of San Diego has included local incentives in its “Pilot Village Program.” Similarly, the City of Encinitas provides incentives for mixed use development and parking reductions in appropriate locations. As another example, the City of Oceanside allows mixed use development as a conditional use in its commercial zones. This allows the flexibility to establish mixed use in areas that otherwise would be restricted to commercial use.

Local incentives could include: capital improvement program (CIP) priority treatment, fee reductions for zoning, subdivision, site plan applications, and water and wastewater capital recovery fees, particularly within the Smart Growth Opportunity Areas and local redevelopment areas. Local jurisdictions could also expedite project approvals in smart growth areas, and could apply other incentives such as reduced parking requirements, density bonuses, and others. Consideration should be given to giving priority to jurisdictions that are providing local smart growth incentives.
PRINCIPLES FOR ESTABLISHING A SMART GROWTH INCENTIVE PROGRAM

Following adoption of the Regional Comprehensive Plan (RCP) and pending identification of funding resources, SANDAG will develop a Smart Growth Incentive Program to encourage development within the Smart Growth Opportunity Areas described in the classification matrix included as Attachment 1 of this report. At their last meeting, the Regional Planning Stakeholders and Technical Working Groups held an initial discussion on principles that should be used in establishing the criteria for the Smart Growth Incentive Program.

Generally, the working groups supported principles that center around priority for the following: regional transportation funding investments, additional residential capacity, demonstration projects, infrastructure improvements, planning grants, and projects that provide local incentives. A more detailed description of the draft principles will be distributed for discussion at the meeting.

The final RCP will include a listing and description of the principles to be used in developing the criteria for the Smart Growth Incentive Program.

The process for developing the criteria will involve the SANDAG Board of Directors, the Regional Planning Committee, and the Transportation Committee, with input from the Regional Planning Technical Working Group, the Regional Planning Stakeholders Working Group, the Cities/County Transportation Advisory Committee, and other relevant groups.
The following principles should be used in developing criteria for smart growth incentive programs that implement the Regional Comprehensive Plan.

1. Regional Funding for Transportation Investments that Support Smart Growth. In its development of the Regional Transportation Plan (RTP) and programming of transportation projects, SANDAG should ensure that its decisions regarding key regional transportation corridor investments give highest priority to implementation of smart growth by local jurisdictions in "smart growth opportunity areas," with a particular focus on opportunities for housing affordable to all income levels. Additionally, SANDAG should ensure that the design and implementation of its regional transportation facilities supports smart growth development by local jurisdictions.

2. Regional Funding for Smart Growth Infrastructure and Planning.
   a. Infrastructure Improvements. SANDAG should provide direct financial incentives to local communities for needed infrastructure improvements, such as transit access, community parking, bicycle and pedestrian circulation improvements, traffic calming, streetscape improvements, and others, in smart growth opportunity areas, using a variety of available funding sources.
      Demonstration Projects. SANDAG should initially focus on public infrastructure improvements for "ready-to-go" projects that will demonstrate smart growth principles and serve as a catalyst for additional smart growth development in key locations.
   b. Planning. SANDAG should provide technical assistance and/or planning grants to local jurisdictions to implement regional smart growth goals and policy objectives through local plans and regulations. Assistance could support preparation of general plan amendments, community plans, specific plans, and development regulations that facilitate smart growth development.

3. Local Incentives for Smart Growth. Local jurisdictions should provide incentives for appropriate development in smart growth opportunity areas, such as priorities for infrastructure improvements, fee reductions, priority processing of development plans, and others. SANDAG should give priority in its funding decisions to jurisdictions that are providing local smart growth incentives.

4. Funding for Other Smart Growth Activities. SANDAG should work with other agencies (e.g., California Department of Housing and Community Development (HCD), U.S. Environmental Protection Agency (EPA), U.S. Fish and Wildlife Service, and private foundations) to coordinate the development of programs that provide incentives for other types of smart growth activities, such as affordable housing production, habitat protection, and the like.
DETERMINATION OF THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) FOR THE 2005-2010 HOUSING ELEMENT CYCLE

Introduction

The housing crisis in the San Diego region continues unabated as demand exceeds supply and housing prices continue to escalate. The median price for single family resale homes now exceeds $450,000, a jump of over 20 percent from a year ago and, the typical rent on a two bedroom unit is about $1,200 a month. The region is regularly ranked as one of the top ten areas with the least affordable housing in the nation.

The region's high housing costs can be largely attributed the fact that housing construction in the San Diego region has not kept pace with population growth. During the 1990s, only about 94,000 homes were built, an average of about 9,400 homes per year or one home for every 3.4 new residents. During the 1980s, the region built 222,000 new units (one home per 2.9 new residents) and in the 1970s, 265,000 new homes (one home per 1.9 new residents) were built. The decline in multifamily production has been especially extreme. In 1991, the region added about 6,600 new multifamily units, compared to 5,750 single family units, while in 1999, we added only 2,985 new multifamily units, compared to 9,848 new single family units.

To address the housing crisis, the draft Regional Comprehensive Plan (RCP) calls for increasing the supply and variety of housing choices, especially multifamily housing, for residents of all ages and income levels; better transportation/land use coordination; the identification of additional sites for higher density housing, and the provision of incentives to promote smart growth and housing production.

This report provides an update to the Regional Planning Committee on the Regional Housing Needs Assessment (RHNA) process for the upcoming 2005 – 2010 housing element cycle, and discusses how the RHNA process and the Regional Comprehensive Plan (RCP) work together to achieve the region's housing goals and objectives.

Discussion

Regional Comprehensive Plan

As stated in the draft Regional Comprehensive Plan, "Current projections show that unless we increase housing capacities in our more urbanized, incorporated jurisdictions beyond what is called for in existing plans and policies....more housing will be exported out of the San Diego
region...causing higher housing prices, increasing traffic problems, and leading to continued loss of agricultural land, open space and critical habitat."

Planning for and building an adequate supply of housing in accordance with the Regional Comprehensive Plan throughout the region would have several benefits. It would improve our jobs/housing balance, reduce interregional commuting, consume less vacant land, use land more efficiently, and reduce traffic congestion.

The recommendations in the draft RCP are consistent with and will help the region meet the objectives contained in California housing element law and vice versa. Housing element law requires that regions and their local jurisdictions plan for their share of the state's housing needs through the Regional Housing Needs Assessment (RHNA) process and general plan housing elements. In addition, the Regional Comprehensive Plan will help local jurisdictions implement their housing elements base on the incentive approach.

California Housing Element Law

State law requires periodic updates by local jurisdictions of their housing elements. The next housing element cycle covers the 2005-2010 timeframe; state law requires completion of the elements by June 30, 2005.

SANDAG, with the assistance of the Regional Planning Technical Working Group (RPTWG), Regional Planning Stakeholders Working Group (RPSWG), Regional Housing Task Force (RHTF), and Regional Planning Committee (RPC) is responsible for completing two major tasks, and a potential third task, related to the 2005-2010 housing element cycle.

1. The Regional Housing Needs Assessment (RHNA). The RHNA process includes three steps:
   a. Consultation with the California Department of Housing and Community Development (HCD) to determine the San Diego region's share of the state's housing need (regional share);
   b. Allocating the regional share number by jurisdiction; and
   c. Allocating each jurisdiction's regional share number by income category.

2. The Regional Housing Needs Statement (RHNS). This document is a comprehensive report that includes population, housing and employment data from the U.S. Census and SANDAG’s Final 2030 Regional Growth Forecast, which is used by local jurisdictions to prepare their housing elements. For the upcoming housing element cycle, the RHNS also will include descriptions of the various programs that local jurisdictions can include in their housing elements.

3. The potential third task is related to SANDAG’s pilot program for housing element self-certification. Continuation of this program would require state legislation and the development of production-oriented affordable housing goals. Because of pending statewide legislation regarding this issue (Attachment 1), it is unlikely that SANDAG will pursue an extension of its self-certification program.
In March and April, the RHNA process was discussed by the Regional Planning Stakeholders Working Group, the Regional Planning Technical Working Group, and the Regional Housing Task Force. And on April 19 the Regional Housing Needs Working Group (with representatives from each of the groups listed above) was reconvened to forward a recommendation on the overall regional housing need number and its allocation by jurisdiction and income category to the Regional Planning Committee at its June 4 meeting. The June 4 meeting (which had been cancelled) will be held to make recommendations to the SANDAG Board on RHNA issues at its June 25 meeting.

RHNA Meeting with HCD Staff

In response to questions raised by various working group members during March, SANDAG convened a meeting on Thursday, April 15 with staff from the California Department of Housing and Community Development (HCD). HCD staff answered questions and discussed issues regarding the Regional Housing Needs Assessment (RHNA) process and other housing element-related issues for the upcoming 2005 -10 housing element cycle.

The focus of the discussion with HCD staff on April 15 was on the methodology and assumptions they use to determine the region's housing needs (RHNA). Other issues addressed included the issue of internal general plan consistency and the difference between SANDAG’s regional growth forecast and HCD’s determination of housing need.

Some of the major points made during the meeting included:

- Local housing elements are a tool to help implement the actions recommended in the Regional Comprehensive Plan (RCP) and I-15 Interregional Partnership (I-15 IRP) report.
- HCD works with experts from USC, UCLA, and Berkeley to develop their methodology for determining housing needs.
- HCD has provided the San Diego region with two RHNA alternatives: 107,000 units and 111,000 units (for the 7.5 year time period from January 2003 - June 2010). (A discussion of past RHNA numbers and SANDAG's Regional Growth Forecast can be found in Attachment 2.)
- The lower number is the minimum number that HCD will accept for use in the next housing element cycle.
- Rezoning may be necessary to accommodate the RHNA numbers.
- The RHNA is a short-term projection of additional housing units needed to accommodate projected household growth of all income categories by the end of the housing element cycle.
- The RNHA does not account for overcrowding, over-payment, or past shortfalls in housing production.
- The RHNA is not:
  - a forecast or prediction of additional housing units or building permit activity,
  - a production quota or requirement to build housing (local governments are not required by housing element law to build housing),
  - limited by existing residential land use capacity, or
• limited by local growth controls.

- HCD has a limited role in how the region allocates the RHNA number by jurisdiction and income category.
- The overall RHNA number and income breakdowns may not be reduced in the allocation process.
- With respect to the issue of internal general plan consistency, local jurisdictions may need to make changes to other elements of their general plan based on the update of their housing element.
- The RCP smart growth incentives may help local jurisdictions implement the RCP and plan for their RHNA numbers.
- Following this meeting, HCD will provide SANDAG with a letter stating their two RHNA alternatives, thereby formalizing their determination.

Regional Housing Needs Working Group

During the past couple of years SANDAG has worked on RHNA issues with the Regional Housing Needs Working Group (RHNWG). This group is made up of members of the Regional Housing Task Force, Regional Planning Technical Working Group and Regional Planning Stakeholders Working Group (members of which recently joined the group). The RHNWG began meeting in the fall of 2002 and continued to discuss the RHNA process until April of 2003. At that time work on the RHNA process was suspended to allow time for the completion of SANDAG’s final growth forecast and to work on the infrastructure, urban form, and incentives components of the RCP. It was agreed that the final forecast and RCP work should be used to help guide the regional share and allocation aspects of the RHNA process. To accommodate this process, Senator Denise Ducheny authored legislation (SB 491) that proposed a one year extension for the local jurisdictions in the San Diego region to complete their housing elements. (The bill was later amended and signed into law to grant a one year extension statewide.)

The Regional Housing Needs Working Group reconvened on Monday, April 19, 2004 to begin discussing the allocation of the overall RHNA number. This group plans to meet for four weeks (Monday, April 19 and 26, and May 3 and 10 from 1:15 – 3:15) to develop recommendations for an the overall RHNA number and its allocation by jurisdiction and income category.

These recommendations will be presented to the Regional Planning Technical Working Group, Regional Planning Stakeholders Working Group, Regional Housing Task Force, and Regional Planning Committee as described in the proposed schedule below.

At its April 19 meeting, members of the RHNWG proposed using HCD’s lower RHNA number (107,000 units) in the allocation process. Although there was general support for this position, at least one member of the group suggested that a higher number be used.

Housing Element Deadlines

SANDAG plans to complete the RHNA process with adoption by the Board in October 2004. (To meet this schedule a draft of the regional housing needs determination and allocation must be accepted for distribution by the Board on June 25, 2004.) The delay in meeting the June 30, 2004 deadline is the result of SANDAG's work to integrate the RHNA process with various aspects of the RCP.

Although we anticipate completion of the RHNA process to occur 4 months after the deadline in state housing element law, currently it is not SANDAG's intention to request a further extension of the housing element due date.

It is our belief that despite the delay in finalizing the RHNA process, local jurisdictions can begin the housing element update process on time (starting in June 2004) using the draft allocation numbers that will be available in the June/July timeframe. Also, at the April 15 meeting, HCD staff emphasized that local housing element updates will not require "starting from scratch" because almost all jurisdictions in the San Diego region have housing elements that were updated during the past five years. Housing element data will need to be updated based on 2000 Census data, programs will need to be evaluated, and sites will need to be identified to accommodate the RHNA numbers. In addition, to assist local jurisdictions with the update process, HCD staff will attend subregional or subject area meetings organized by SANDAG. Members of the RPTWG and RPSWG expressed general agreement with this approach at their joint meeting held on April 22.

Proposed Timeline

The proposed timeline for completing the RHNA process is:

April 15, 2004  HCD meeting with Regional Planning Technical Working Group (RPTWG), Regional Planning Stakeholders Working Group (RPSWG), and Regional Housing Task Force (RHTF) – Regional Housing Needs Assessment (RHNA) process

April 19, 2004  Regional Housing Needs Working Group (RHNWG) meeting – Reconvene discussions on the RHNA allocation process

April 22, 2004  Joint meeting of the RPTWG and RPSWG – Update groups on meeting with HCD and timeline for RHNA process

April – May, 2004  RHNWG meetings to develop a recommendation on the allocation of the region's housing needs by jurisdiction and income category (April 19 and 26; May 3 and 10)

May 7, 2004  Regional Planning Committee (RPC) meeting – Provide background on and update the RPC on the RHNA process

May 20, 2004  Joint meeting of the RPTWG, RPSWG, and RHTF – Make recommendation(s) to the RPC on the draft RHNA number and allocation
June 4, 2004  
RPC meeting – Review RHNA-related recommendations of the RPTWG, RPSWG, and RHTF and make recommendation to the SANDAG Board on the draft RHNA number and allocation (new meeting proposed)

June 25, 2004  
SANDAG Board meeting – Accept draft RHNA number and allocation for distribution (mandatory 90-day public review period)

September 24, 2004  
End of 90-day public review period

October 22, 2004  
SANDAG Board – Adoption of final RHNA number and allocation

BOB LEITER  
Director of Transportation and Land Use Planning

Attachments

Key Staff Contact: Susan Baldwin, (619) 699-1943; sba@sandag.org
An act to add Section 65585.4 to, to add and repeal Section 65585.3 of, and to repeal, add, and repeal Section 65585.2 of, the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST


Existing law authorizes cities and counties within the jurisdiction of the San Diego Association of Governments to self-certify the revision of its general plan housing element, and makes the self-certified cities and counties eligible for specified state housing funds in the same manner as other jurisdictions.

This bill, until January 1, 2016, an unspecified date, would provide procedures whereby a city or county may elect to participate in alternative production-based certification of its housing element and would make those cities and counties eligible for specified state housing funds in the same manner as other jurisdictions.


THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares the following:

(a) Action to foster, facilitate, and enhance local and regional collaboration on housing production will produce unique solutions that, when gathered together throughout the state, will serve to promote and provide for additional housing opportunities.

(b) A pilot program establishing an alternative means to determine that a housing element substantially complies with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code will test whether establishing an affordable housing production requirement at the local government level will move toward attainment of the state housing goal.
SEC. 2. Section 65585.2 of the Government Code is repealed.
SEC. 3. Section 65585.2 is added to the Government Code, to read:

65585.2. (a) A city or county may elect to participate in alternative production-based certification of the housing element required pursuant to this article. A city or county that so elects shall adopt a resolution declaring its intent to participate in alternative production-based certification and shall notify the appropriate council of governments within 30 days of receiving its allocation of the regional housing need pursuant to Section 65584.

(b) A notice of preparation stating that the jurisdiction has adopted a resolution electing to participate in alternative production-based certification of its housing element and setting forth the date of the scoping meeting required by subdivision (c) shall be published by the city or county at least one time in a newspaper of general circulation, shall be sent by certified mail to the department, and shall be mailed by the city or county to the last known name and address of all organizations and individuals who have made a written request for materials relating to the jurisdiction's general plan or housing element. The notice of preparation shall identify the resolution adopted pursuant to subdivision (a) by number.

(c) At least 10 days after the publication of the notice of preparation, the jurisdiction shall convene a scoping meeting to identify probable future projects as provided in paragraph (4) of subdivision (a) of Section 65585.3, development standards, special needs housing, and other information necessary for the preparation of a housing element. A meeting may be convened by the jurisdiction or upon the request of a member of the public, property owner, the department, or any other interested party.

(d) A city or county that elects to participate in alternative production-based certification of its housing element shall prepare an administrative draft of its housing element for public comment, including comments from the department. The jurisdiction shall consider all comments, and shall revise the administrative draft if the jurisdiction deems it appropriate.

(e) At the conclusion of the public hearing required by Section 65355, the jurisdiction shall provide public notice of the availability of the draft alternative production-based housing element for comment. This notice shall be mailed to the last known name and address of all organizations and individuals who have previously requested notice in writing, and the department, and shall be published at least one time in a newspaper of general circulation.

(f) The jurisdiction shall evaluate comments received from persons who reviewed the draft alternative production-based housing element and shall prepare a written response, and revisions to the draft if appropriate. The final draft of the production-based housing element shall incorporate the written response to the comments.

(g) Prior to the final adoption of the housing element, the jurisdiction shall hold a public hearing to consider the final draft. Notice of the public hearing shall be given pursuant to Section 65090.

(h) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or
extends that date. However, a jurisdiction that elected to participate in alternative certification on or before December 31, 2014, may complete its planning period under this section beyond the repeal date.

SEC. 4. Section 65585.3 is added to the Government Code, to read:

65585.3. (a) A city or county that adopts an alternative production-based certification of the housing element pursuant to Section 65585.2 shall submit a certification of compliance to the department with its adopted housing element or amendment within 10 days of the adoption of the final draft. In order to participate in alternative production-based certification, the legislative body, after holding a public hearing, shall, by resolution, make findings, based on substantial evidence, that it has met the following criteria:

(1) The jurisdiction's housing element substantially complies with the requirements of Section 65583, including addressing the needs of all income levels.

(2) The jurisdiction's housing element identifies adequate sites for its share of the regional housing need as determined pursuant to Section 65584.

(3) The jurisdiction's housing element requires the jurisdiction to produce or cause to be produced 15 percent of the jurisdiction's share of the regional housing need for very low, low-, and moderate-income households, as determined pursuant to Section 65583, within the jurisdiction during the planning period, that is affordable to very low and low-income households. At least one-third of the units produced or caused to be produced shall be affordable to very low income households.

(4) The jurisdiction has identified probable future projects that will produce or cause the production of the housing required by paragraph (3). For purposes of this section, "probable future projects" shall have the same definition as found in subparagraph (B) of paragraph (1) of subdivision (b) of Section 15130 of Title 14 of the California Code of Regulations.

(5) For the first planning period in which the jurisdiction elects to participate in alternative production-based certification, either of the following occurred:

(A) The department determined pursuant to Section 65585 that the jurisdiction's housing element for the immediately preceding planning period substantially complied with the requirements of this article.

(B) The jurisdiction produced or caused to be produced in the immediately preceding planning period, at least 50 percent of the number of housing units required by paragraph (3).

(6) For subsequent housing element revisions, the jurisdiction has provided the number of housing units required by paragraph (3) within the previous planning period.

(b) The units produced or caused to be produced shall be created through new construction. For purposes of this section, if a unit is abandoned or otherwise not in residential use for a period of six months or more, and is then acquired or substantially rehabilitated, the unit shall be considered "new construction."

(c) Notwithstanding subdivision (b), if at least 60 percent of the housing stock in a city or county was constructed prior to 1980, as determined by the most
recent decennial census of the United States; if less than 5 percent
of the land zoned for residential purposes within a city or a census
defined place, as defined in Section 21159.20 of the Public Resources
Code, has not been developed for urban uses; or if a city or county
has adopted a plan to limit or protect surrounding agricultural
lands, open space, or natural resources from development, then the
city or county may count toward not more than ___ percent of its requirements under this section
residential units developed or acquired by any of the following
means:
(1) Acquisitions of a unit to create or maintain affordability.
(2) Substantial rehabilitation.
(3) Rental or ownership assistance.
(4) Preservation of the availability of units affordable to lower
income households in developments that are assisted, subsidized, or
restricted by a public entity and are threatened with imminent
conversion to market rate housing.
(5) Single room occupancies.
(6) Assisted living units for very low and low-income seniors.
(7) Purchase of affordability covenants.
(8) Any other means of creating a residential unit affordable to
very low and low-income households.
(d) One year following the adoption of the resolution pursuant to
subdivision (a), and annually thereafter, the jurisdiction shall hold
a public hearing to review the production or plans for production of
the housing required to be produced pursuant to paragraph (3) of
subdivision (a) and to identify any probable future projects that
were not identified previously. Notice of the public hearing shall be
given pursuant to Section 65090 and to all persons who submitted
comments to the draft housing element and who requested notice of the
annual review.
(e) One year following the adoption of the resolution pursuant to
subdivision (a) of Section 65585.2, and annually thereafter, the
jurisdiction shall send a report to the department documenting the
findings of the annual review held pursuant to subdivision (d). If
the jurisdiction fails to submit an annual report in each of the
first three years after adoption of the resolution, the department
may conduct an audit to determine if the jurisdiction is making
significant progress toward achieving the production goals
established by the housing element.
(f) When a city or county participates in the alternative
production-based certification process in compliance with this
section, all of the following shall apply:
(1) Section 65585 does not apply to the city or county.
(2) In any challenge of a local jurisdiction's alternative
production-based certification, the court's review shall be limited
to determining whether the alternative certification is accurate and
complete as to the criteria for alternative certification. Where
there has not been a successful challenge of the alternative
certification, there shall be a rebuttable presumption of the
validity of the housing element or amendment. Section
65585 shall not apply to the city or county.
(g) This section shall remain in effect only until January 1,
2016 , and as of that date is
repealed, unless a later enacted statute, that is enacted before
January 1, 2016 , deletes or
extends that date. However, a jurisdiction that elected to
participate in alternative certification on or before December 31, ______, may complete its planning period under this section beyond the repeal date.

SEC. 4.  

SEC. 5. Section 65585.4 is added to the Government Code, to read:

65585.4. Notwithstanding any other provision of law, any city or county that has a housing element that has been certified pursuant to the requirements of Section 65585.1 or 65585.2 shall be considered to be fully eligible to participate in any program created by, or receiving funds from, the state in the identical manner and to the same degree as those local jurisdictions deemed in substantial compliance with the requirements of this article by the department pursuant to Section 65585.
REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) BACKGROUND

HCD/SANDAG Consultation Process

In mid-September 2003, SANDAG and HCD staff met to discuss new housing need numbers based on the new timeframe for the upcoming housing element cycle. HCD provided SANDAG with a new set of housing need alternatives for the 2003-2010 timeframe (7.5 years): 111,000 and 107,000 (vs. the 88,000, 95,000, and 105,000 provided in September 2002 for the 2002-2009 housing element cycle). These alternatives were based on updated U.S. Census and California Department of Finance (DOF) data.

For the same timeframe, SANDAG's Final Regional Growth Forecast (which is based on existing plans and policies and assumes significant interregional commuting) projects an increase of 89,000 units; if no interregional commuting is assumed the forecast would be about 6,000 units higher or 95,000.

HCD and SANDAG Assumptions

Factors used by SANDAG and HCD in projecting housing growth in the region include: population increase, household formation (headship) rates, vacancy rates, demolitions, seasonal units (second/vacation homes), and interregional commuting.

The major difference between the methodologies used by the two agencies to project housing growth in the region lies in the vacancy rate assumptions. SANDAG assumes a vacancy rate of 2.4 percent based on the 2000 Census, and HCD uses a vacancy rate of about 4 percent. SANDAG’s forecast is essentially a forecast of how many housing units would be built in the region based on current trends and policies, while HCD has determined how many housing units we should be planning for and building to meet our needs.

The vacancy rate used in SANDAG's forecast (2.4 percent) predicts a continuation of today's tight housing market in the future, a perpetuation of the current housing crisis with high prices, low vacancy rates, and increased interregional commuting. The vacancy rate that HCD used to develop its alternatives is associated with a healthier, more mobile housing market. Application of a 4 percent vacancy rate to SANDAG's forecast would result in a regional share number of 108,000 units. A further adjustment that could be used in determining the region's housing need would be to add the number of units (6,300) projected to be exported out of the region due to interregional commuting to Mexico and Riverside. This adjustment would result in a regional share number of 114,000 units.

Regional Share Alternatives for 2003-10 (7.5 years)

- 107,000 units  HCD Alternative B (2000 household formation rates); 14,267 average annual units
- 111,000 units  HCD Alternative A (1990 household formation rates); 14,800 average annual units

Attachment 2
• 108,000 units  SANDAG Regional Growth Forecast (4 percent vacancy rate); 14,400 average annual units

• 114,000 units  SANDAG Regional Growth Forecast (4 percent vacancy rate + 6,000 interregional commute units); 15,200 average annual units

Past Regional Share Numbers

Past regional share numbers have been consistent with SANDAG’s Regional Growth Forecast, which projected a more robust, healthier housing market as reflected by the higher vacancy and higher household formation rates that existed at the time the forecasts were being prepared.

June 1990 – 162,229 (7.5 years); 21,630 average annual increase in housing units

June 1999 – 95,479 (5 years); 19,095 average annual increase in housing units

The current 2030 Regional Growth Forecast for the 2003-2010 timeframe (89,000 units) projects an annual average of only 11,867 units, reflecting the less healthy, tighter housing market that now exists. The net average annual increase in units between 1997 and 2003 was 11,033 units (CA Department of Finance).