The Regional Planning Committee meeting was called to order by Committee Chair Lori Holt Pfeiler (North County Inland) at 12:09 p.m. The attendance sheet for the meeting is attached.

Chair Holt Pfeiler thanked all for attending the meeting after having a long summer off. Self introductions were made.

1. APPROVAL OF JULY 2, 2004 MEETING MINUTES

   Action: Supervisor Slater-Price (County of San Diego) moved to approve the minutes of the July 2, 2004 meeting. The vote was unanimously in favor.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

   None.

CONSENT (Item 3)

3. SANDAG BOARD ACTION ON REGIONAL COMPREHENSIVE PLAN (RCP) (INFORMATION)

   Chair Holt Pfeiler announced that at its July 23, 2004 meeting, the SANDAG Board of Directors unanimously voted to adopt the Regional Comprehensive Plan (RCP) and certify its Program Environmental Impact Report. The Board’s action culminated two years of public outreach, policy discussion, meetings, and review that resulted in the development of the long-term plan for the San Diego region. Mayor Holt Pfeiler commented that now the challenge is to implement Plan. This effort will take the cooperation of everyone in the region.

REPORTS

4. ENERGY STATUS REPORT (INFORMATION/POSSIBLE ACTION)

   Dr. Henry Abarbanel, Co-Chair of SANDAG’s Energy Working Group, announced that the Energy Working Group has established four subcommittees to help define issues to be
addressed by the EWG. Those subcommittees are: Public Policy; Resource Planning – Demand Side; Resource Planning – Supply Side; and Funding. He noted that the EWG has a plan and will be collaborating with San Diego Gas & Electric (SDG&E) to develop a stakeholder based Long-Term Resource Plan (LTRP). The plan will be submitted to the California Public Utilities Commission (CPUC) in July 2006. By working with SDG&E in preparing this plan, it will demonstrate to potential funding sources that both the EWG and SDG&E are serious about working together and developing a plan that represents input from the region. Dr. Abarbanel commented that representatives from the California Energy Commission (CEC) will begin meeting next month with the EWG at their monthly meetings. In addition, Frank Urtasun, representing SDG&E, will make a presentation about issues among residents, elected officials in various cities, and the SDG&E LTRP. SDG&E staff will meet with the EWG to follow up on prior commitments and Dr. Abarbanel will meet with Councilmember Jones (East County and Regional Planning Committee [RPC] member), who will be the link to the RPC from the EWG.

Chair Holt Pfeiler thanked Dr. Abarbanel for his report and mentioned that the RPC looks forward to future updates from the EWG and the work that it’s doing.

Dr. Abarbanel added that the EWG will be active in regional projects that involve policy and quantitative issues – the EWG will be involved in both aspects. Regarding the Long Term Resource Plan, SDG&E is required by the CPUC to submit it; however, the EWG will help to develop it. It will be clear that the plan was developed by both the region and SDG&E.

*Staff suggested that during the EWG’s efforts, it take into account SANDAG’s Regional Energy Strategy.* Dr. Abarbanel responded that he’s hoping that SDG&E will buy into it. He added that he is representing the North County Coastal cities on the EWG and will be meeting with each individual jurisdiction to determine what their priorities are in regards to energy issues.

Chair Holt Pfeiler again thanked Dr. Abarbanel for his report and enthusiasm.

**Action:** The Committee received this item for information.

5. **RECOMMENDATION TO THE SANDAG BOARD OF DIRECTORS ON THE REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) (RECOMMEND)**

Staff provided the Regional Planning Committee (RPC) with information on the Regional Housing Needs Assessment (RHNA) process and the RHNA recommendations of the Regional Planning Technical Working Group (TWG), the Regional Housing Task Force (RHTF), and the Regional Housing Needs Working Group (RHNWG). Those recommendations were: (1) the region’s share of the state’s housing need (regional share) for the 2005-2010 housing element cycle should be 107,000 units; (2) the allocation by jurisdiction should be based on SANDAG’s 2030 forecast and each jurisdiction’s share of projected employment growth between 2000-2010; (3) the allocation by income category should be based on the methodology that seeks to reduce the concentration of lower income households to the greatest degree; and (4) It should be acknowledged that action on the RHNA by the SANDAG Board is based on existing state law, which requires that jurisdictions identify adequate sites in their housing elements to address their RHNA
numbers. The RPC should make a recommendation regarding the Draft RHNA for 2005-2010. The recommendation of the RPC will be forwarded to the SANDAG Board at its September 24, 2004 meeting.

State law requires that local jurisdictions update their housing elements every five years – the current cycle is from 1999 – 2004; the next cycle is from 2005 – 2010. State law requires completion of the housing element updates by June 30, 2005. SANDAG is responsible for undertaking the RHNA process – the purpose is to determine the amount of housing units each jurisdiction needs to plan for. There are three parts to the RHNA process – (1) 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); (2) allocating the regional share number by jurisdiction; and (3) allocating each jurisdiction's regional share number by income category.

State law requires completion of the RHNA process by June 30, 2004, and completion of local housing element updates by June 30, 2005. Because of issues related to the completion and adoption of the Regional Comprehensive Plan (RCP), SANDAG was not able to meet the June 30, 2004, deadline. The revised schedule has the SANDAG Board accepting the draft RHNA numbers for distribution on September 24, 2004, with final adoption on January 28, 2005 (following a 90-day public review period and assuming no appeals are filed).

Staff and Committee Member Comments:

- **Staff stated that some of the city managers in the region were concerned about the ability to rezone enough sites to accommodate the region’s housing needs. Some cities argue that they are built out and will have a hard time meeting the proposed numbers. The City of Poway wanted to be on record that they disagree with all the methodologies. It was suggested that this issue be addressed on a subregional level.**

- **It is difficult for cities to provide affordable housing based on today's housing costs. We need a venue to discuss how homes affordable to lower income households can be provided and how to keep them affordable in perpetuity. The housing market has a lot to do with affordability. The San Diego region is a victim of its own success. It was noted that the City of Encinitas recently purchased 16 homes and made them affordable to lower income households. The subsidy needed to do this was extremely high. The market reality is that subsidies are the only way a jurisdiction can provide affordable housing. The RPC needs to lobby more on this issue and work with legislators. We should work with Keith Pezzoli and the UCSD Workbench Consortium on this issue.**

- **How are the housing numbers determined? Lemon Grove's largest number is in the above moderate category – which is unrealistic; housing in Lemon Grove will be more in the moderate income range. The market will determine the cost of housing – not the elected officials. The 89,000 units come from SANDAG's growth forecast, and the allocation numbers by jurisdiction are largely based on land use inputs from each jurisdiction that SANDAG used in its 2030 Final Cities/County Forecast. The regional housing need number – 107,000 – comes from the state. The state has determined that**
we should plan for 18,000 more housing units than our 2030 forecast projects for the same time period to provide a healthier housing market.

- Zoning more land for multifamily residential use won’t provide affordable housing.

- Regarding the County of San Diego, there is good news and bad news. The good news is that the County is happy with the recommendation in the staff report and agrees with the transfer of units between the City of San Diego and the County. The bad news is, despite a lot of talk, housing prices continue to go up in the region, no matter what is done. This is not a very profitable undertaking. What will the state do if the region doesn’t comply? Come and take the property owner’s property away? Density does not result in affordable housing. Homes in Del Mar cost over $1 million. It was pointed out that each jurisdiction doesn’t have to actually build the affordable housing, it just needs to zone for it. It appears that the RPC is operating from a false premise. Now is the time to have a reality-based discussion because the current situation doesn’t make any sense and is frustrating. At the end of the day, is there an end product? The answer is no. Staff understands the frustration with the process. However, it is important to remember that affordable housing in this region cannot be built without subsidies. Multifamily zoning provides opportunities for jurisdictions to use local, state, and federal subsidies to increase the supply of affordable housing.

- Who is paying for the subsidy? Federal and state tax credits, redevelopment funds, and monies from Proposition 46 (a statewide housing bond) are used to subsidize affordable housing. However, as a first step, we need to have multifamily zoned land in order for the subsidies to be used.

- The City of Lemon Grove has the most affordable land in the county. Even though the land has been rezoned for multifamily use, the market and the communities have not changed.

- There is an equal level of frustration in Sacramento in that the planning is not directly tied to production. There is a housing crisis in California; the state has not been able to provide enough housing for its residents.

- Most people don’t understand what the system is that drives the housing numbers. When discussing this issue, it is easy to identify that there is not enough entry-level housing in the region. The RPC needs to be honest about trying to get people into the housing market – more multifamily housing needs to be built to do this. From an RCP perspective, SANDAG should consider assigning the housing units by subarea, and go visit those subareas to identify locations that the housing could be built. Transportation and land use decisions should be connected.

- The RCP is on the right track, but we are struggling to provide funding for infrastructure. We need to spend a lot of money on maintaining the affordability of housing.

- It is the impacts of density that people are concerned about. Residents vote elected officials out of office because of how communities look and feel, not just the densities.
• Developers were provided incentives to build in downtown San Diego, but infrastructure such as parks and schools were not provided. It is unrealistic to think that we will have affordable housing in certain areas.

• Developers need to convert old shopping centers into housing. There is a match for land and housing in each jurisdiction. However, funding needs to be provided. Monies need to be pooled to those areas that have identifiable sites.

• We need to allocate 107,000 units and it is up to the region to determine where those units should be built. It’s like a water balloon – if one jurisdiction’s numbers are reduced, another’s will increase. Affordable housing in this region is an oxy-moron. It is amazing how high the housing prices are in those areas that used to be affordable such as Temecula. Most cities have the opportunity to provide affordable housing. However, the market has more to do with affordable housing than the elected officials do. Builders are already paying every imaginable fee that they can pay. There isn’t any real effort to provide affordable housing in the region. We need to use redevelopment where it can be used; reduce the regulations, not increase them; and be realistic that the region will continue to grow.

• Del Mar is happy with its numbers. It would be nice to go back to review what affordability is. Jurisdictions are under the gun to develop housing elements by July 2005. Del Mar has a housing element that was approved by the state for the first time in years. The city has not had to rezone land, they subsidize renters. Eight thousand dollars is charged for each apartment converted to condominiums and those funds are used to subsidize rents for lower income households. They also get covenants that restrict the rents on granny flats. They take the law seriously. The San Diego region needs to work to make changes in Sacramento, but also to develop a plan to try to help each jurisdiction meet their numbers. Solana Beach has a major development going on around the railroad station and it appears that they will meet their numbers.

• The region should strongly consider building more accessory units. There is not a high-end jurisdiction that can’t add those units, and they serve a real need.

• Code enforcement is needed to ensure that non-conforming granny flats are rented at affordable prices. Most of the units are not used for their intended purpose. Also, these units often generate traffic and parking complaints. The gentrification of older, more affordable areas and displacement of lower income residents who live in these areas needs to be addressed.

• The comments today illustrate what jurisdictions are doing to provide affordable housing throughout the region. Housing element law recognizes that many jurisdictions do not have enough resources to meet all of their affordable housing needs.

• If the goal is to build affordable housing, we should be planning for more very low and low income housing than moderate and above moderate income housing. Switching the numbers wouldn’t solve the problem, but would make a bigger dent in the region’s housing needs.
• It was suggested that the item be forwarded to the full Board of Directors for distribution and public review and during the review period have staff look at the issue from a subregional perspective.

• Can the RPC send this item to the Board and modify this item during the 90-day public review period. The numbers could be modified during the public review period.

• The jurisdictions can’t complete their responsibilities (preparation of their housing elements) until SANDAG completes its part (the RHNA process). The housing elements are due to the state by June 30, 2005; most cities are working on their housing elements right now to comply with this due date.

MOTION MADE

Motion: Supervisor Slater-Price (County of San Diego) made the motion to forward this item to the SANDAG Board for distribution for a 90-day public review period, and to direct staff to work on a subregional approach. Councilmember Jones (East County) seconded the motion.

Committee Member Discussion on the Motion:

• Willing to support the motion if a list of concerns will be forwarded to the Board as well.

• A subregional approach may not be able to be implemented for the current housing cycle. Staff agreed.

• One subregion could be done first as a pilot project.

Action: The Committee voted and the motion passed unanimously.

6. STATE HOUSING AND LAND USE REFORM INITIATIVES (DISCUSSION/POSSIBLE ACTION)

Staff distributed a memo to the Regional Planning Committee that summarized several key housing-related bills that are on the Governor’s desk for signature, housing and land use reforms proposed by Secretary of Business, Transportation and Housing Sunne Wright McPeak, and key housing recommendations from the California Performance Review Report. Also, HCD will hold a housing element workshop for local jurisdiction staff in October. Currently, there are lots of housing-related discussions occurring in Sacramento.

Committee Comments:

• The state needs to understand the local impacts of its actions. We need to make sure that local control is not preempted by the state. The Regional Comprehensive Plan (RCP)
is on the right track, and we need to make sure that legislation at the state level does not remove some of its best features.

- Staff stated that it has had the opportunity to work with over one-half dozen BT&H secretaries. The current Secretary is a strong advocate for housing and for what is being done in the San Diego region. She also is a big proponent of the RCP and is highlighting the document throughout the state.

**Action:** The Committee received this item for information.

7. **UPCOMING MEETINGS**

The next meeting of the Regional Planning Committee is scheduled for 12 to 2 p.m. on Friday, October 1, 2004.

8. **ADJOURNMENT**

Chair Pfeiler adjourned the meeting at 1:43 p.m.

BOB LEITER  
Director of Land Use and Transportation Planning

Key Staff Contact: Carolina Gregor, (619) 699-1989, cgr@sandag.org
## CONFIRMED ATTENDANCE

### SANDAG REGIONAL PLANNING COMMITTEE MEETING

#### SEPTEMBER 3, 2004

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