



San Diego's Regional Planning Agency

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MEETING NOTICE AND AGENDA

MEMBER AGENCIES

- Cities of
- Carlsbad
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- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
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- San Marcos
- Santee
- Solana Beach
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- and
- County of San Diego

ADVISORY MEMBERS

- Imperial County
- California Department of Transportation
- Metropolitan Transit Development Board
- North San Diego County Transit Development Board
- United States Department of Defense
- San Diego Unified Port District
- San Diego County Water Authority
- Baja California/Mexico

REGIONAL PLANNING TECHNICAL WORKING GROUP

The Regional Planning Technical Working Group may take action on any item appearing on this agenda.

Thursday, November 18, 2004

1:30 p.m. – 4:30 p.m.*

SANDAG, Conference Room 8A*
401 B Street, Suite 800
San Diego, CA 92101-4231

Committee Chair: Gail Goldberg, City of San Diego
(619) 236-6361
GGoldberg@SanDiego.gov

Staff Contact: Carolina Gregor
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cgr@sandag.org

***Please note the change in meeting time and location.**

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REGIONAL PLANNING TECHNICAL WORKING GROUP

Thursday, November 18, 2004

ITEM #	ACTION
1. WELCOME AND INTRODUCTIONS (Chair Gail Goldberg, City of San Diego)	
PUBLIC COMMENTS AND COMMUNICATIONS	
Members of the public will have the opportunity to address the Technical Working Group (TWG) on any issue within the jurisdiction of the Working Group. Speakers are limited to three minutes each.	
CONSENT ITEM (2)	
The TWG will take action on all items on the consent agenda without further discussion and with one vote, unless an item is pulled by a Working Group member or by a member of the public for comment.	
+ 2. SUMMARY OF THE OCTOBER 14, 2005 TECHNICAL WORKING GROUP MEETING (pp. 4-8)	APPROVE
REPORTS (3-6)	
+ 3. LAND USE-TRANSPORTATION COORDINATION POLICY (Dave Schumacher) (pp. 9-14)	RECOMMEND
Since the adoption of SB 1703, SANDAG has been establishing new policies for the consolidated agency. The draft Land Use-Transportation Coordination Policy builds upon the prior Land Use-Transit Coordination Policy of the San Diego Metropolitan Transit Development Board. The TWG is asked to discuss and recommend support for the draft policy. At their meetings in December 2004, the Regional Planning Committee and the Transportation Committee will be asked to recommend that the SANDAG Board of Directors adopt the Land Use-Transportation Coordination Policy.	
4. PILOT SMART GROWTH INCENTIVE PROGRAM (Stephan Vance)	APPOINT
Staff will report on the comments received on the Pilot Smart Growth Incentive Program from the Cities/County Transportation Advisory Committee (CTAC), Regional Planning Committee, and Transportation Committee. Two to four volunteers from the TWG are asked to serve on a joint TWG/CTAC ad hoc working group to help develop guidelines and project selection criteria for the Pilot Smart Growth Incentive Program.	

ITEM #**ACTION****5. SMART GROWTH CONCEPT MAP (Carolina Gregor)**DISCUSSION/POSSIBLE
ACTION

At its October 14, 2004 meeting, the TWG reviewed the proposed approach for developing the Smart Growth Concept Map called for in the Regional Comprehensive Plan. Staff agreed to meet with interested members to identify specific technical and policy-related issues that should be addressed in the approach for developing the Concept Map. Staff will provide a status report of discussions to date with TWG members.

**+6. REGIONAL HOUSING NEEDS ASSESSMENT UPDATE (Susan Baldwin)
(pp. 15-22)**DISCUSSION/POSSIBLE
ACTION

On December 2, 2004, from 11 a.m. to 2 p.m., the City/County Management Association (CCMA) will discuss the Regional Housing Needs Assessment (RHNA). Members of the CCMA will be inviting their planning directors to attend. The TWG should provide input on the proposed content and format of the workshop. Staff also will update the TWG on RHNA-related discussions and issues. A letter from the City of Carlsbad about the time period associated with the 107,000 regional housing need number is attached for discussion. Staff will ask for input regarding the site specific land use inputs used in the 2030 Cities/County Forecast.

**TIME CERTAIN WORKSHOP
2:30 p.m. to 4:30 p.m.**

**+7. UC BERKELEY'S STATEWIDE INFILL HOUSING CAPACITY STUDY
(Dr. John Landis, UC Berkeley) (p.23)**

DISCUSSION

This past summer, Ms. Sunne Wright McPeak, Secretary of California's Business, Housing and Transportation Agency, asked Caltrans to commission a statewide inventory and analysis of the potential infill housing capacity in all of the state's urban areas. The study will produce a series of geographic information systems (GIS) maps, some of which will illustrate the potential for increased residential densities in infill areas. The study team will make a presentation on the methodology and various data and assumptions used in the study. The researchers are requesting input from each region regarding the factors and assumptions used to identify potential infill housing capacity.

8. ADJOURNMENT AND UPCOMING MEETINGS

INFORMATION

The next regularly-scheduled meeting will be held on Thursday, December 9, 2004 from 1:15 p.m. to 3:15 p.m.

+ next to an agenda item indicates an attachment

November 10, 2004

To: Regional Planning Technical Working Group (RPTWG)
From: SANDAG Staff
Subject: Summary of the October 14, 2004 RPTWG Meeting
Action: APPROVE

Agenda Item #1: Welcome and Introductions

Gail Goldberg, City of San Diego, chaired the meeting. Self-introductions were conducted.

SANDAG staff provided carrot cake and presented certificates of appreciation to Regional Planning Technical Working Group members to thank them for their work on the Regional Comprehensive Plan (RCP). Gail Goldberg thanked everyone and acknowledged the hard work it took to adopt a plan with such consensus. She also thanked SANDAG staff for the job that they have done, as well as on their willingness to compromise and find areas of consensus. Bob Leiter, SANDAG, noted that the work of all the planning directors, and especially Gail Goldberg, who chaired the group during the RCP process, is very much appreciated.

CONSENT ITEMS (Item 2)

Agenda Item #2: Summary of the August 12, 2004 Technical Working Group Meeting

A motion and second were made to approve the August 12 meeting summary (Item #2). The motion passed unanimously.

REPORTS

Agenda Item #3: San Diego Capital Collaborative

Barry Schultz, CEO of the San Diego Capital Collaborative, presented this item to the group. He explained that the San Diego Capital Collaborative is a not-for-profit organization that partners with for-profit investors with development expertise to bring private sector capital to smart growth initiatives. The organization will steer its investments toward urban neighborhoods, infill projects, and for-sale housing. The S.D. Capital Collaborative is unique, as it offers a double bottom line fund, which makes it possible for investors to get a reasonable rate of return while also meeting certain social objectives. The Capital

Collaborative will invest in catalyst projects that contribute to the redevelopment of communities throughout the San Diego region. Its fund manager is Phoenix Realty.

Capital Collaborative can be a resource to SANDAG and its member agencies as they begin to identify smart growth opportunities. SANDAG could offer the Capital Collaborative information that would encourage the development of catalyst projects in important smart growth opportunity areas. Mr. Schultz noted that the organization is working hard to raise capital for San Diego; there is a perception by investors that the market here is too small, and as a result a lot of possible funding goes to the Los Angeles area. Mr. Schultz noted that the fund will be fully capitalized with \$60 million by the end of the year, and that they plan to start funding projects during the first quarter of 2005.

- In response to a member's question, Mr. Schultz reiterated that two separate agencies have been formed. One is a nonprofit, the S.D. Capital Collaborative, and the other is a for-profit organization, Phoenix Realty, which manages the funds. Mr. Schultz further explained that the Capital Collaborative will act as the fund managers' social conscience by reviewing all of their investments, and steering them towards catalyst projects.

Agenda Item #4: Proposed Approach for Integrating the Implementation of the Regional Comprehensive Plan (RCP) and the Update of the Regional Transportation Plan (RTP)

Staff gave an overview of the interrelated strategic initiatives from the land use and transportation components of the RCP, and noted that additional comments on the subject from members after the meeting would be appreciated. Staff indicated the importance of deciding on an overall approach and work program that will be brought together by the completion of the next major Regional Transportation Plan (RTP).

Staff then moved on to discuss some of the specific tasks that need to be included in the work program. The RHNA numbers will play an important role in the implementation of the RCP and RTP, and the draft numbers are currently out for review. The Smart Growth Incentive Program is an important part of RCP implementation, as it provides financial incentives and encourages the development of both a pilot program and a long-term incentive program.

In addition, preferred land use and transportation performance indicators and targets will be identified, and a monitoring program will be established in order to develop a baseline report that will be used to identify next year's recommended targets. Another task will be to develop a Smart Growth Concept Map. This map will relate the seven smart growth place types described in the RCP to the transit networks that have been identified in the RTP. The Smart Growth Concept Map will serve as a useful tool in the development of the incentive program and the RTP update, among other things.

Another task that has been identified is to complete a new growth forecast that would take into account the actions by local jurisdictions that reflect smart growth in their plans, as well as the effects of interregional commuting.

Another core initiative is the RTP update. As part of the RTP work program, an independent transit planning review will be done. The review could provide information that would lead to refinements of the transit plans in the RTP. Federal legislation is pending that could potentially affect the time frame for the RTP update. If this legislation passes, the next update would not be due until early 2007. However, if the legislation is not passed, there would only be a little more than one year for the update and as a result, the updated growth forecast and transit study could not be included. Staff plans to send a report to the Regional Planning Committee and Transportation Committee in November so that the work program can be finalized by the end of the year. Work on the RTP update is scheduled to begin in early 2005.

It is recommended that the Transportation Committee become more involved in the process of implementing the RCP and integrating it with the RTP update. A new Stakeholders Working Group is proposed that would focus on building better connections between transportation and land use.

Finally, to assist in the development of the core land use and transportation initiatives, staff recommends the creation of "subregional staff teams" at SANDAG, each of which would have specific land use and transportation staff assigned. These subregional teams would be assigned to North, Central, East, and South subregions and would collaborate with local jurisdiction planning staffs on developing the Smart Growth Concept Map, among the other tasks mentioned above. Staff asked that RPTWG members comment on the proposed team structure.

Staff informed the group that the issue of industrial lands/co-location was taken to the last Regional Planning Committee meeting, where it was concluded that the best area for staff to focus on would be how co-location would be affected by environmental factors. This was decided because environmental factors would be similar across the region, whereas issues related to community character and services are more local. An environment-based work program will be developed and feedback will be solicited from RPTWG members.

- It was clarified that corridor studies would be done separately from the work done by subregional teams, although there would be some overlap of planners.
- One member asked what effects the RTP cycle legislation and the *TransNet* extension will have, especially if they turn out differently than SANDAG would like. SANDAG staff noted that even if *TransNet* does not pass, a future measure would be placed on the ballot and the Pilot Smart Growth Incentive Program would continue with or without the *TransNet* extension. If *TransNet* does pass, there will be a more reliable stream of income to provide incentives.
- It was noted that the subregional framework presented by staff is a good idea and would help us more clearly understand the links between land use and transportation.
- It is helpful to have everything pulled together and to understand the relationships between the various work program elements. On page six of the report it would be helpful to add a sentence or two that explains the timing and content of the RTP tasks.

- More consideration should be given to the possibility of airport relocation and specifically, to the changes it could have on the region's planning efforts.
- In response to a question about co-location, staff suggested that a valuable initial step for interested jurisdictions would be to do an individual inventory and to bring a report on the findings to the group. It was suggested that we look at the region's future needs for industrial land. Staff noted that Marney Cox is working on an update of the Regional Economic Prosperity Strategy, which could be discussed on a future agenda.
- One member mentioned that a strong statement from SANDAG encouraging co-location in existing industrial areas would be very helpful in moving forward with co-location in areas like those surrounding Sprinter stations.

Agenda Item #5: Housing Update

SANDAG staff reported on the Draft Regional Housing Needs Assessment (RHNA) numbers, and informed the TWG that the numbers were accepted for distribution by the SANDAG Board of Directors on September 24, 2004. The numbers are currently in their public review phase, and presentations on the numbers will be given to City Councils and Planning Commissioners upon request. Staff also noted that California Department of Housing and Community Development (HCD) staff will be coming to SANDAG for a housing element workshop on October 28. At the workshop, HCD will discuss the basic requirements for a housing element as well as the impacts any new legislation will have on the writing of a housing element.

The City/County Management Association will be holding a workshop focusing on the Draft RHNA with the planning directors on December 2 from 11a.m. – 2 p.m. Staff also informed the group that the SANDAG Board will discuss the RHNA and other housing-related issues at a Policy Development Board meeting on January 14, 2005. At this meeting, links to the RCP and the Smart Growth Concept Map and programs to encourage actual housing production will be discussed. The Regional Housing Needs Statement is being finished, and staff plans to present a draft at the housing element workshop on October 28, 2004.

Staff also distributed information on ideas for legislation that are being discussed by California Business, Transportation, and Housing Secretary Sunne Wright McPeak, and suggested topics made by the Regional Housing Task Force for the housing element workshop. Staff also mentioned to the group that HCD staff is interested in coming to San Diego on a more consistent basis in order to provide technical assistance on the housing element updates; SANDAG will provide office space for this purpose.

Agenda Item #6: Smart Growth Elements of the RCP

The RCP calls for the development of a Smart Growth Concept Map during FY 2005. This map will be used to update the RTP, and also to allocate smart growth incentive funds for the longer-term incentive program.

- One member asked how flexible the “templates” associated with the smart growth concept map will be. Staff responded by explaining that the smart growth concept map should be thought of more as an illustration than a template. The illustrations are meant to help jurisdictions visualize how they might plan these areas.
- Some concern focused on the belief that long-term planning should be based on local general plans, and that the development of a smart growth concept map would have the potential to be confusing.
- One member mentioned that developing a PowerPoint presentation to explain how all of these items would come together would be informative. It was also suggested that the same PowerPoint could be given at City Council/Board of Supervisors meetings, after the criteria and incentives have been refined. The smart growth concept map could be a difficult “sell” for SANDAG Board members to others on their council/board. As a response, staff recommended that the process start with reports to the RPC and TC, and be refined from there.

Staff also presented Agenda Item no. 6B, the Pilot Smart Growth Incentive Program, the implementation of which is called for in the RCP. Staff focused discussion on the approach and schedule for the program.

- A member asked what types of projects the pilot program would fund. Staff stated the Transportation Enhancements (TE) funds that are being used for the program are limited to capital improvements.
- One member pointed out that if there are two funding cycles for the pilot program, jurisdictions should be made aware that they can make the necessary changes to their project and re-apply during the second phase.
- Staff explained that funding from this source would require an 11.8 percent match, for a total of about \$19 million in funding.

Due to lack of time this discussion will be continued at the next meeting.

Agenda Item #7: Proposed Workshop as Part of November TWG meeting

Time did not allow for the discussion of this agenda item.

Agenda Item #8: Adjournment and Upcoming Meeting

The next meeting of the Regional Planning Technical Working Group will be held on Thursday, November 18, 2004, from 1:30 p.m. – 4:30 p.m. in the 7th Floor Conference Room. The meeting will be an hour longer than usual to allow time for the infill workshop with Professor John Landis from U.C. Berkeley, and staff from HCD and Caltrans.

November 18, 2004

TO: Regional Planning Technical Working Group
FROM: SANDAG Staff
SUBJECT: Land Use – Transportation Planning Coordination Policy
ACTION: RECOMMEND

Introduction

On January 1, 2003, Senate Bill 1703 consolidated all of the roles and responsibilities of SANDAG with many of the transit functions of the San Diego Metropolitan Transit Development Board (MTDB) and the North San Diego County Transit Development Board (NCTD). As part of the consolidation process, the SANDAG Board of Directors has adopted a number of policies that clarify SANDAG's roles and responsibilities with respect to a variety of topics. Some of the policies adopted by the SANDAG Board stem from adopted policies of the transit agencies. In an effort to integrate the policies from the transit agencies into SANDAG, all relevant policies have been transferred to SANDAG, except for the former MTDB policy relating to the coordination between land use and transit (Attachment 1).

Background

Most land use decisions are made by local government agencies. Regional transportation and transit planning and programming decisions are made by SANDAG. The Regional Comprehensive Plan (RCP) and the Regional Transportation Plan (RTP) are long-range plans that guide the region's land use and transportation development, and that encourage the development of compact, mixed-use neighborhoods served by effective transportation networks and transit services. A land use-transportation coordination policy (Attachment 2) is proposed to help SANDAG and local government agencies work together to coordinate land use and transportation planning.

Discussion

Local government agencies prepare land use plans, including general plans, which provide a blueprint for the use of land within their jurisdictions. Local general plans include a transportation (or circulation) element containing the long-range network of streets, freeways, and transit facilities, and a land use element, which addresses locations and densities for various land uses. SANDAG prepares the RCP addressing land use and growth from a regional perspective, the RTP, which addresses transportation facilities of regional significance, and other regional planning documents. The concepts and policies of the general plans, RCP, and RTP are implemented through private development and public works projects.

The Land Use-Transportation Planning Coordination Policy would direct SANDAG to work with local government agencies to coordinate transportation and land use planning by working cooperatively on local general plans, the RCP, the RTP, and other regional and local planning efforts. The policy also would provide SANDAG an opportunity to review and comment on private development projects that are under review by the local agency.

The draft policy calls for SANDAG and the local agencies to enter into Memoranda of Understanding (MOU) or a similar tool to develop procedures to work cooperatively on long-range plans and development projects. MTDB adopted a similar policy four years ago, and the process has resulted in the dedication of transit right-of-way by developers, construction of bus stop improvements, and better pedestrian connections. NCTD has conducted development reviews in its service area with similar results. During 2003, over 500 development projects from local jurisdictions and other agencies throughout the region were reviewed. Working with the jurisdictions, 177 of these projects incorporated transit facilities and transit supportive designs valued at more than \$1.6 million in transit improvements and accommodations.

The Regional Planning Technical Working Group is asked to discuss and recommend support for the draft policy. The Cities/County Transportation Advisory Committee will review this same item at its December 2, 2004 meeting. Comments from these groups will be presented at the Regional Planning Committee and Transportation Committee meetings in December 2004. Pending action by the Regional Planning Committee and Transportation Committee, the draft policy will be forwarded to the SANDAG Board of Directors for action in January 2005.

Policies and Procedures

No. 3940

Subject:

Board Approval: 7/8/9904/15/04

TRANSIT/LAND USE PLANNING COORDINATION

PURPOSE:

To work with SANDAG and the agencies in MTDB's area of jurisdiction in order to interrelate and coordinate land use and transit planning in all immediate-action, short-range, and long-range plans.

BACKGROUND:

While land use planning is the responsibility of individual local government agencies, MTDB has a stake in the shape of future development in the region and in the redevelopment of existing urban neighborhoods. Sprawled development patterns and auto-oriented site designs are difficult and costly to serve by transit. Conversely, neighborhoods designed to facilitate walking and bicycling will reduce auto dependence, make transit easier to use, and lead to better communities. The cooperation and assistance of the cities in the region and the County of San Diego, as well as other government agencies with land development authority, are required for transit to become an important and integrated part of our communities.

Guidance on how to create pedestrian- and transit-supportive developments can be found in several local documents, including: MTDB's *Designing For Transit* manual; the San Diego Association of Governments' (SANDAG's) *Land Use Distribution Element of the Regional Growth Management Strategy*; the Air Pollution Control District's *Tools For Reducing Vehicle Trips Through Land Use Design* document; and the City of San Diego's *Transit-Oriented Development Design Guidelines*.

POLICY:

It is the policy of MTDB to work closely with SANDAG and the agencies in our area of jurisdiction in the planning and implementation of pedestrian- and transit-oriented developments in accordance with the guidelines referenced above. At the neighborhood level, transit-oriented development (TOD) can make transit convenient and usable to more people. At a regional level, the strategic application of TOD principles will help support an efficient and effective transit system. It will also assist in regional efforts to reduce traffic congestion, improve air quality, preserve open space, provide housing, and create walkable communities.

PROCEDURES:

MTDB will work with SANDAG and the agencies to promote pedestrian- and transit-oriented development—instead of auto-dominated development—through the following actions:

Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

For personal trip planning or route information, call 1-800-COMMUTE or visit our web site at scommute.com

1. Long-Range Planning. General, community, redevelopment, specific, and other long-range plans adopted by the cities, the County of San Diego, SANDAG and other government agencies set the policies that are implemented through codes, standards, projects, and programs. It is essential that transit be addressed as an integral component of all major planning and policy initiatives at this level.
2. Development Project Review. Policies are implemented through public and private development projects. MTDB, SANDAG and the agencies should be partners in striving to achieve excellence in transit-oriented design.
3. Zoning and Street Design Manual Updates. Zoning codes and street design manuals set the framework for how development will occur. These codes and manuals should have the flexibility to facilitate transit-oriented development.
4. Right-of-Way Protection and Acquisition. Right-of-way for transit operations can be secured and protected through the land development process. This requires action by SANDAG and each of the agencies. As congestion increases, the need for separate and priority right-of-way treatments for bus and rail projects will become increasingly important.
5. Funding of Pedestrian- and Transit-Oriented Development projects and Transit Facilities, Vehicles, and Services.
 - A. Transit should be recognized as an essential public service, similar to other elements of municipal infrastructure. MTDB will work with the cities, the County of San Diego, SANDAG and other agencies to strive to obtain transit operations and facilities funding from a variety of sources.
 - B. MTDB will work with the cities, the County of San Diego, SANDAG and other agencies to seek funding for transit-oriented development planning and projects from a variety of sources.
 - C. To encourage higher productivity of its resources, MTDB will encourage SANDAG to consider transit-friendly community design as an important factor in evaluating the allocation of transit improvement funding.
 - D. MTDB will work with SANDAG and the agencies to optimize and leverage any local funds with available discretionary transit funding.
6. Education and Outreach. A public information program will be implemented to establish an ongoing dialog on transit and transit-oriented development issues.
7. Formal Agreements. The factors stated above will be refined and adopted through agreements between MTDB, SANDAG and each of the relevant agencies in its service area.

PSmith/DGunn
POLICY.40
9/10/02

Attachment: Sample Memorandum of Understanding for Transit/Land Use Coordination

Original Policy Accepted on 9/27/90.

LAND USE / TRANSPORTATION PLANNING COORDINATION POLICY

Policy # ___

Purpose

This policy directs SANDAG to work with local government agencies to coordinate land use and transportation planning in all long-range plans, development regulations, and development project review.

Background

Roles and Responsibilities

The County of San Diego and the region's eighteen cities each adopt a general plan, composed of a number of mandatory and optional elements, including Land Use, Circulation (Transportation), Housing, Public Facilities and others. Each jurisdiction has local land use authority and is responsible for making land use decisions in accordance with its general plan.

SANDAG serves as the regional planning agency. The local jurisdictions are SANDAG member agencies. SANDAG is responsible for developing long-range plans, including the Regional Comprehensive Plan (RCP), the Regional Transportation Plan (RTP), the Short-Range Transit Plan (SRTP), and the Congestion Management Plan (CMP), for the programming of federal, state, and local transportation funds in the San Diego region, and for developing and constructing regional transportation facilities.

Coordination of Transportation and Land Use

While most land use decisions are made locally, many transportation/transit decisions are made regionally by SANDAG. SANDAG's RCP and RTP provide the foundation for integrating land use and transportation decisions, and identifying opportunities for smart growth. The RCP and RTP recognize that coordinating development decisions and regional transportation infrastructure investments helps leverage the region's investments in transportation and maintain and improve our residents' quality of life.

Both the RCP and the RTP recommend the development of compact, mixed-use, walkable neighborhoods served by effective transit services (often referred to as "transit-oriented developments [TODs]) as ways of reducing traffic congestion, providing additional transportation choices, reducing land consumption, and providing affordable housing and public services. Cooperation between SANDAG and the region's local governments is needed to implement these smart growth concepts.

Procedures

SANDAG and local agencies will work together to promote and enhance the coordination of land use and transportation planning through the following actions:

1. **Agreement to Participate.** SANDAG and local government agencies should approve a Memorandum of Understanding (MOU), resolution or similar tool that would enable them to cooperatively plan and coordinate local land use decisions with regional transportation investments.
2. **Intergovernmental Review.**
 - a. Review of Local Long-Range Planning Documents. Local government agencies should provide copies of draft general, community, specific and precise plans to SANDAG for early review and comment. SANDAG will work cooperatively and within the local government agency's timeframe to provide input to the local government regarding regional goals and policies in these documents. SANDAG staff will be available to participate in general plan advisory committees at the request of the local government agency or to meet informally to assist in the preparation of long-range planning documents.
 - b. Review of Development Regulations. Local government agencies should provide copies of draft zoning documents, codes and design standards to SANDAG for early review and comment. SANDAG will work cooperatively and within the local government agency's timeframe to provide input to the local government regarding regional goals and policies in these documents.
 - c. Review of Development Projects. Local government agencies should provide plans, permit documents and pre-application documents for discretionary projects and street improvements to SANDAG for review and comment. SANDAG will work within the local government's time frame for providing comments to project applicants, and will be available to meet with applicants as needed to address transportation and land use issues. Project approval responsibility remains within the local government's authority, and SANDAG's comments are advisory.
3. **Participation in Preparation of Regional Plans, Programs, Policies, and Forecasts.**
 - a. Preparation of Regional Plans. SANDAG will proactively solicit involvement by local agency staffs and elected officials in the preparation or updates of short- and long-term regional documents, such as the Regional Comprehensive Plan, the Regional Transportation Plan, the Short-Range Transit Plan, the Congestion Management Program, and others.
 - b. Preparation of Forecasts. SANDAG will proactively solicit involvement by local agency staffs and elected officials in the preparation or updates of growth forecasts used for planning purposes.
 - c. Identification of Smart Growth Areas. SANDAG will proactively solicit involvement by local agency staffs and elected officials to prepare a smart growth concept map. The map will be used as a planning tool, to update the Regional Transportation Plan, and to show eligible locations for smart growth incentives.

D R A F T
Presentation Outline for City/County Management Association Meeting
Thursday, December 2, 2004
Marriott Hotel Del Mar
11 a.m. – 2 p.m.

1. Purpose of the meeting: To inform members of the City/County Management Association about the Regional Housing Needs Assessment (RHNA) process, housing element law, and other regional housing issues. (Members of the CCMA are inviting their planning directors to this meeting.)
2. Introduction/overview of issues and presentation
3. Regional Comprehensive Plan (RCP)
 - a. Focus on smart growth
 - b. Improving the link between transportation and land use
 - c. Need to plan for more housing choice and increase the supply of housing in the region
4. Summary of housing element law
 - a. Local responsibility – prepare housing elements, identify adequate sites to meet housing needs (RHNA)
 - b. Regional responsibility – RHNA process, number of units the region and local jurisdictions need to plan for
 - c. Deadline for completion of housing element updates: June 30, 2005
5. RHNA process
 - a. Consultation with the state HCD regarding the region's share of the state's housing need for 2005-2010 housing element cycle (regional share)
 - b. Allocation of regional share by jurisdiction
 - c. Allocation of regional share by income category
6. RHNA Review Process
 - a. Regional Housing Needs Working Group
 - b. Regional Housing Task Force
 - c. Regional Planning Technical Working Group
 - d. Regional Planning Committee
 - e. SANDAG Board of Directors – accept for distribution for 90 day public review period – Sept. 24, 2004; final RHNA decision – January 28, 2005
7. Overall Regional Housing Need Number 2003-2010
 - a. HCD options: 107,000 and 111,000 units
 - b. SANDAG Growth Forecast: 89,000 units
 - c. Recommendation: 107,000 units
 - d. Recommended 107,000 unit overall housing need number consistency with RCP

8. SANDAG Regional Growth Forecast
 - a. Overall population, housing, and employment forecast to 2030 in yearly increments for the region based on state, national, and regional trends
 - b. Demand (baseline) forecast for housing is unconstrained by local plans
 - c. Final forecast for housing is constrained by residential capacity of local jurisdiction general/community plans; vacancy rates, household size, and interregional commuting are affected by residential capacity
 - d. Allocation by jurisdiction is done based on local plans and development activity; commuting patterns; and employment growth

9. Difference between HCD housing needs and SANDAG forecast
 - a. HCD housing need numbers call for region to plan for more housing to create a healthier housing market
 - b. SANDAG forecast is the amount of housing we think will be built given current plans and policies

10. Allocation by Jurisdiction – factors in state law
 - a. Market demand for housing
 - b. Employment
 - c. Suitable sites
 - d. Public facilities
 - e. Commuting patterns
 - f. Potential for increasing residential capacity
 - g. Attorney General's opinion

11. Recommendation: Allocation by Jurisdiction
 - a. Alternatives reviewed during RHNA process: discuss different policy approaches; decision to link housing needs to employment growth
 - b. Recommendation for draft RHNA: SANDAG forecast for 89,000; allocate 18,000 remainder based on each jurisdiction's share of employment growth between 2000-2010
 - c. Table with regional share allocation by jurisdiction

12. Allocation by Income Category
 - a. Four income categories:
 - i. Very low – 23 percent
 - ii. Low – 17 percent
 - iii. Moderate – 19 percent
 - iv. Above Moderate – 41 percent
 - b. Income limits for income categories for family of four
 - c. Allocation must seek to reduce concentration of lower income households
 - d. Percentages for each income category must add up to regional totals

13. Recommendation: Allocation by Income Category
 - a. Alternative 1
 - b. Alternative 2
 - c. Alternative 3 (Draft RHNA alternative)

14. Broad consensus on recommendations

15. What does this mean to local jurisdictions?

- a. RHNA identifies the region's housing needs for next housing element cycle by jurisdiction and income category
- b. Local jurisdictions need to identify adequate sites to accommodate their share of the region's housing needs
- c. Jurisdictions need to identify adequate sites to provide opportunities for the construction of lower income housing
- d. Housing element law does not require the construction of regional share numbers; it requires that local jurisdictions ensure that the zoning is in place to allow housing to be built, and the adoption of programs to assist nonprofit and for-profit developers build the housing

16. Potential sites for lower income housing

- a. Smart growth opportunity areas
- b. Older shopping centers and strip commercial areas
- c. Downtown redevelopment areas
- d. Transit-oriented development sites
- e. Accessory (second) units in SF neighborhoods

17. Programs for producing lower income housing

- a. Density bonus programs
- b. Inclusionary housing ordinances
- c. Accessory units
- d. Local housing trust funds
- e. Acquisition/rehabilitation of rental units
- f. Preservation of "at risk" units
- g. Homebuyer assistance programs

18. What are the ramifications of non-compliance with housing element law?

- a. Potential law suit
- b. Invalid general plan
- c. Potential for removal of land use authority
- d. Ineligibility for some state funds

19. Discussions with local jurisdictions regarding RHNA numbers and possible subregional approaches

20. Schedule for RHNA process

Information to be distributed in advance of meeting:

1. September 24, 2004 RHNA Board report.
2. Table comparing local jurisdiction housing capacities with Draft RHNA.
3. Table comparing RHNA alternatives discussed during RHNA development process.



City of Carlsbad

Community Development

November 9, 2004

Lucetta Dunn, Director
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RHNA NUMBERS – CONVERSION OF 7.5-YEAR NEEDS TO 5-YEAR NEEDS

Dear Ms Dunn:

I wanted to thank you for arranging for your staff to come to San Diego to speak to all of the SANDAG jurisdictions on October 28th and share information and ideas regarding the process for revising our housing elements for the upcoming 5th cycle. In particular, the discussions regarding both the Regional Housing Needs Assessment (RHNA) numbers and the "sites inventory" (including AB 2348) were valuable and helpful. Although I was unable to attend personally, Dennis Turner and Scott Donnell of our Planning Department, as well as staff from Cotton-Bridges and Associates, our housing element consultant, did attend. They have briefed me on key matters.

- 1) **AB 2348 Guidelines.** I was pleased to understand that HCD has committed to providing written guidelines for use by local agencies regarding your agency's views on implementing AB 2348 and that these guidelines would be available no later than 6 weeks from the meeting date, meaning the second week of December. While the interim information your staff provided at the meeting was very helpful, these written guidelines are urgently needed by local jurisdictions both to better understand this complicated new law and to implement it correctly and in a timely fashion in their updates. I would like to ask you to have a copy of the guidelines sent directly to me as soon as they are ready.
- 2) **7.5 to 5-year RHNA Conversion.** I am following through on Linda Nichol's invitation to write regarding one important issue that remains unresolved from the meeting. This is the critical matter of a RHNA regional share number provided by IICD to SANDAG (107,000 housing units) for a 7.5-year period (starting 1/1/03, 2½ years before the beginning of the new cycle) and using that number to prepare a housing element with a five-year cycle that begins on 7/1/05. The issue is how to convert a 7.5-year number to a 5-year number, consistent with the five years of the cycle.

As you may be aware, in preparing the draft local RHNA numbers (currently out for review), SANDAG has used, throughout all of its formulas and calculations, the 7.5-year number (107,000 units) provided by your agency. The result is that the draft local numbers are still 7.5-year numbers. We need five-year numbers for our elements.

At the meeting on October 28 your staff stated your agency's preference on how to make this adjustment. Noting that the local numbers consist of breakouts into the four income groups, IICD staff suggested that jurisdictions subtract from the 7.5-year numbers the actual production that they achieved between 1/1/03 and 7/1/05, by income group. The resulting numbers would be five-year numbers and include adjustments reflecting an agency's progress throughout the second half of the current, 4th cycle (i.e.: 1/1/03 to 7/1/05). In essence, those jurisdictions that excelled at producing very low, low, and moderate-income units during the 4th cycle would be credited with reduced needs for the 5th cycle, and those that were less successful during the 4th cycle would be expected to do more during the 5th cycle.



We believe that this method introduces adjustments that are both inappropriate and inconsistent with state housing law. The issue is a false problem that is largely the result of the way HCD has implemented its responsibilities under Government Code Section 65584(a). We believe that there is another, obvious approach, one that has been used in the past, that would make the problem simply disappear. We believe HCD's suggested methodology has the effect of creating a third adjustment factor for future lower- and moderate-income housing needs, based upon historical progress, when there are already two adjustments in the housing element process that do the same thing, thus creating a triple reward/penalty for historical progress. These beliefs are set out in more detail below.

An Appropriate Adjustment Procedure

We believe that the following alternative adjustment procedure should be followed:

Step 1: Convert the regional share number provided by HCD to SANDAG from a 7.5-year number to a 5-year number using a simple pro-rata method, as follows

$$107,000 \text{ units} / 7.5 \text{ years} \times 5 \text{ years} = 71,333 \text{ units}$$

Step 2: Process this number through the methodology already in place at SANDAG to derive the single local number for each jurisdiction and the breakout for the four income groups, which methodology has been developed consistent with Government Code Section 65584.

This method will obtain a set of five-year numbers for each jurisdiction for use in housing elements and their programs. The SANDAG process already contains very aggressive adjustments for past progress and the rest of housing element law requires a jurisdiction to look at its progress in the current cycle to develop goals, objectives and actions for the next cycle, thus retaining two adjustments considering historical progress in the update process.

Specific Reasons

We believe this approach, as opposed to the methodology preferred by HCD staff, should be used for the following specific reasons:

1. No basis in law for a 7.5-year number. We find nothing in state law pertaining to the regional share process (Government Code Section 65583) that calls for or authorizes HCD to provide COGs with a 7.5-year number in the first place. Subsection (a) of Section 65583 simply says (in part):

... Based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, and in consultation with each council of governments, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to...the revision ...

(Nor do we find anything that calls for or authorizes a 7.5 -year number in AB 2158, the bill that will amend Section 65584 on January 1, 2005.)

It is clear that the needs assessment is to be developed and used for the five years of the housing element cycle set by law. Therefore, there is no reason for HCD to develop a 7.5-year number and, subsequently, no need to evolve a formula to convert it to a 5-year number. For HCD to do so creates a false problem seeking a solution. We believe HCD should have produced a simple 5-year needs assessment for the SANDAG area's 5th cycle. One might speculate that the 7.5 year number stems from Section 65584's requirement for HCD to produce the five-year assessment

two years before the revision date, but this does not seem to provide any real justification, and, certainly, no mandate to do so.

2. No basis in law to address income groups as a function of the regional allocation to COGs. Section 65584(a) assigns responsibility to determine the shares of housing for local jurisdictions (both a single number and its breakout into the four income groups) to the COG of the region, not HCD. This determination is completely separate from the process in which HCD allocates to the region its share of the statewide housing need. The statewide allocation is not to deal with the local allocations of the four income groups. However, following the introduction of a 7.5-year regional allocation that needs adjustment to a 5-year allocation, HCD then calls for an adjustment formula that necessitate making adjustments to the four income groups. We believe this has the effect of adding the four income groups into the regional allocation by a sort of back-door approach. Had HCD produced a 5-year regional needs-assessment in the first place, no adjustment would be needed, and certainly no adjustment to the income group allocations would be needed. HCD's call for adjustments to local income groups because of its method of allocating regional share is inconsistent with state law.
3. Housing law already factors in historical progress for lower income production. HCD's proposed adjustment factor would have jurisdictions subtract out their actual housing production, by income group, during the period 1/1/03 to 6/30/05, the 2½ years needed to adjust it's 7.5 year needs assessment to a 5-year needs assessment. This has the effect of formulating an updated housing element based upon historical housing progress. However, a backward look is unnecessary at this level, as two existing factors of the law and resulting procedures already utilize historical progress (especially lower income-production) to shape the revised element

First, Government Code Section 65583 already requires a local jurisdiction to conduct a thorough analysis of the effectiveness of its current element. Among other things, a jurisdiction must determine and review its progress in meeting the regional share needs for the just-ending cycle. Then, based upon that review and analysis, it must adjust its goals, numerical objectives, and action programs to respond better to any shortcomings in the previous cycle and include those changes in the revised element for the next cycle. Historical progress for the four income groups is one of the most significant areas included in this review.

Second, the process by which COGs allocate housing needs (including the four income groups) to local jurisdictions already includes factors that take into consideration historical progress. This is a second means of "looking back" to shape the new element. In SANDAG's case, the local allocation methodology includes a very aggressive factor that addresses historical progress in lower-income housing. (See the next point for details.)

Because there are already two substantive and entirely different approaches to factoring in an agency's historical progress when formulating an element, and because both of these approaches are called for by housing law, there is no need for, and certainly no mandate for, HCD to introduce a third approach to factoring in historical progress, one that is outside the scope of the law.

4. SANDAG's local allocation methodology contains an aggressive "historical progress" factor for lower-income housing. As you know, the regional need for housing throughout the state is approximately 23 percent for very low-income and 17 percent for low-income households, or a combined need of 40 percent for "lower"-income households. In its methodology to allocate shares to local agencies SANDAG uses an adjustment factor that looks at historical progress in a large-scope way. The method does not stop at looking at progress during the last housing element cycle; it looks at the results of a jurisdiction's entire history. It does so by looking at the total number of lower-income families living in each jurisdiction as a percentage of total families living

there. If the percentage of lower-income families (according the 2000 census) exceeds 40% of total families, then the methodology rewards the jurisdiction by reducing its percentage of lower-income need in the RHNA numbers. Conversely, if the percentage of lower income families living in the jurisdiction is less than 40%, the jurisdiction is penalized with increased RHNA lower-income numbers.

The deviation from 40 percent lower-income in the region's draft RHNA numbers ranges from a low of 18 percent to a high of 58 percent. Carlsbad's adjusted lower-income allocation is drafted at 52 percent. Despite committing as many resources as feasible and having one of the most aggressive and successful inclusionary housing programs in the state, Carlsbad's significant progress in creating housing opportunities for lower-income families is swamped by the cumulative history of development in our city over many decades. So, through our efforts, especially over the last two housing element cycles, the fraction of lower-income families living in Carlsbad is now 27 percent. This fraction, under the SANDAG formulas, leads to our RHNA percentage for lower-income being raised from 40 percent to 52 percent. This is a daunting number. It is unlikely that any conceivable combination of market forces and public efforts could lead to producing over 50 percent lower income housing over the next cycle. However, the challenge becomes even more difficult if HCD's preferred 7.5-to-5-year adjustment factor is considered. When we subtract from the draft RHNA numbers our actual total housing progress over the most recent two-year period for which we have data, the resulting percentage of lower-income need rises from 52 percent to 58 percent. I would assume that other jurisdictions with challenges in producing lower-income housing would see similar escalations in their needs numbers if the HCD adjustment factor were applied. It would seem that a jurisdiction that starts with a needs assessment at 58%, such as Poway, would likely end up with an adjusted assessment of well over 60 percent.

Carlsbad has to work extraordinarily hard to achieve a standard of 15 percent lower-income inclusionary for all new development. The application of HCD's conversion factor to already-high draft numbers would result only in converting extraordinarily difficult objectives into ones that are totally impossible. Again, existing law provides for more than adequate measures to work "historical progress" into housing element updates. There is no need for an additional adjustment.

5. It is impossible to use "actual production" in HCD's conversion factor. HCD's preferred conversion factor calls for subtracting "actual production" for the 2.5-year period leading up to 7/1/05 from the draft numbers. Given that housing law calls for elements to be drafted, approved, reviewed by HCD, amended, re-approved, and reviewed again by HCD between now and 7/1/05, plus our actual experience that there is a lag time of two to three months between when a unit completes construction and we can get actual sales or rent data to use in determining its level of affordability, we estimate we would only be able to use "actual production" figures for 1.5 years of the 2.5 year adjustment period. We would have to estimate production this last year. Requiring "actual production" would force our element to be a year or more late.
6. HCD methodology is new and has not been used historically. In San Diego the adjustment factor preferred by HCD has not been used previously.

For the 3rd cycle, with elements due in 1991, SANDAG simply issued 5-year draft numbers and there was no need for any type of adjustment factor.

For the 4th cycle (with elements due in 1999), SANDAG did start with a 7.5 year needs number from HCD. However the local numbers were produced, published, and adopted by simply using a pro-rata reduction factor (essentially the same as is proposed in this letter).

During the last two cycles HCD both reviewed and certified SANDAG housing elements without any previous concern by HCD to apply the adjustment factor now being suggested. We don't see a reason to deviate from the requirements of the law as specified in Government Code § 65588, 65584, 65583 all referencing a five-year cycle.

Request

For all the reasons set out above, I respectfully request that you and your staff reconsider your request to SANDAG jurisdictions to apply the adjustment factor that was articulated at the October 28th meeting. Instead, I would request that you sanction use of the alternative adjustment factor I have put forth above.

Carlsbad will be soliciting all the other SANDAG jurisdictions for support in this request. My staff is working with SANDAG staff to place this matter for a formal discussion at the SANDAG committee level by mid-November.

Thank you in advance for considering this request. Because the draft review period for our RIINA numbers ends in December, your response to this matter would be most useful if we could receive it before the end of November.

If you have any questions regarding anything set forward in this letter, please contact Principal Planner Dennis Turner of my staff at (760) 602-4609 or myself at (760) 602-2724.

Cordially,



SANDRA L. HOLDER
Community Development Director

SII:DAT:bjn

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“Fact Sheet” - Study of Infill Development Capacity in California’s Urban Areas

- If California is to effectively accommodate another 20 million people over the next 50 years, we need to find ways to increase the supply of housing within existing urban areas, especially places accessible to jobs. This strategy, referred to as urban “infill” development, can take advantage of existing streets and transit systems and reduce the strain on our transportation system that occurs when sprawl development and jobs/housing imbalances drive the need for long commutes and “reverse commutes” not traditionally served by transit.
- The Institute for Urban and Regional Development (IURD) at UC Berkeley is undertaking a study that will estimate the potential infill housing capacity in the state’s urban areas. Professor John Landis is the Principal Investigator.
- This study is a cooperative effort by UC Berkeley, the California Business, Transportation and Housing Agency (BT&H), Department of Transportation (Caltrans), and Housing and Community Development Department (HCD). Funding is provided by Caltrans via the State Planning and Research Program.



‘Rio Vista’ Transit-Oriented Development, San Diego



- Assumptions and methodology for the study will be established during Summer 2004. Data collection and analyses is expected to be completed by the end of 2004. The study’s final report will be produced early in 2005.
 - A technical advisory committee is providing input and guidance for the study. In addition, workshops will be held in several regions throughout the State to obtain additional input and information.
- **This study includes the following major tasks:**
 1. Develop an inventory of potential infill housing sites, including currently vacant (“infill”) parcels and also sites that are currently occupied but potentially appropriate for redevelopment (termed “refill”).
 2. Provide this data on a site-by-site basis via an Internet website tool.
 3. Estimate the potential housing capacity of the vacant and potential refill sites identified.
 4. Assess the potential market demand for infill housing, currently and in the future.
 5. Produce a final report that describes the study’s methodology and summarizes its major findings.
 - For more information you may contact: Heather Hood, Director of Community Partnerships, UC Berkeley, IURD: 510-643-7553, email: hhood@berkeley.edu