REGIONAL PLANNING COMMITTEE

Friday, February 4, 2005
12 noon – 2:00 p.m.
SANDAG
401 B Street, Seventh Floor Conference Room
San Diego, CA

AGENDA HIGHLIGHTS

• SMART GROWTH CONCEPT MAP
• REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)
• ENERGY UPDATE

PLEASE TURN OFF CELL PHONES DURING THE MEETING.

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 website. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the website. E-mail comments should be received no later than Noon, two days prior to the Regional Planning Committee meeting.

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ITEM #

+1. APPROVAL OF MEETING MINUTES

   1a. Joint Meeting of Transportation and Regional Planning Committees, January 21, 2005 (pp. 5-12)
   1b. Regional Planning Committee, January 21, 2005 (pp. 13-15)

+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 and shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Committee members also may provide information and announcements under this agenda item.

RECOMMENDATION

+3. SHOWCASING LOCAL EXAMPLES OF SMART GROWTH: SMART GROWTH IN OTAY RANCH (Rick Rosaler, City of Chula Vista; Kim Kilkenny, The Otay Ranch Companies)

   Staff from the City of Chula Vista and The Otay Ranch Companies will present ongoing smart growth efforts in Otay Ranch, an example of how smart growth concepts are being applied in greenfield areas.

RECOMMEND

+4. APPROACH FOR DEVELOPING THE SMART GROWTH CONCEPT MAP (Carolina Gregor) (pp. 16-27)

   The Regional Comprehensive Plan (RCP) calls for developing a Smart Growth Concept Map during FY 2005 for use as a planning tool in updating the Regional Transportation Plan (RTP) and allocating future incentive funds for smart growth. This report summarizes the proposed approach and timeline for developing the Concept Map. Comments from the Regional Planning Technical Working Group (TWG) have been incorporated into this report. The Regional Planning Committee should make a recommendation to the SANDAG Board on the proposed approach.
+5. REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) FOR THE 2005-2010 HOUSING ELEMENT CYCLE  (Susan Baldwin)  (pp. 28-53)  RECOMMEND

The Regional Planning Committee should make a recommendation to the SANDAG Board on the Final Regional Housing Needs Assessment (RHNA). The Board will consider the Final RHNA on February 25, 2005. Attached is a report which includes a summary of the January 26, 2005, discussion of the Regional Planning Technical Working Group, the minutes of the January 14 Policy Board meeting, various RHNA income allocation alternatives, and several comment letters.

+6. STATUS REPORT AND RECOMMENDATIONS FROM THE ENERGY WORKING GROUP  (Councilmember Henry Abarbanel)  (pp. 54-57)  RECOMMEND

The Energy Working Group (EWG) has been meeting since March 2004. Since that time, the EWG has developed a work plan and funding proposal to implement an 18-month Long-Term Resource Plan (LTRP) process in cooperation with San Diego Gas & Electric. The LTRP outlines anticipated electric energy demand and how that demand will be met over the next 10 years. It is the recommendation of the EWG that the Regional Planning Committee accept the work plan and funding recommendation subject to Board of Directors approval.

7. UPCOMING MEETINGS

The next Regional Planning Committee meeting will be held on Friday, March 4, 2005, from 12 noon to 2 p.m.

8. ADJOURNMENT

+ next to an agenda item indicates an attachment
San Diego Association of Governments

REGIONAL PLANNING COMMITTEE

February 4, 2005

AGENDA ITEM NO.: 1a

Action Requested: APPROVE

JOINT MEETING OF TRANSPORTATION AND REGIONAL PLANNING COMMITTEES
DISCUSSION AND ACTIONS
Meeting of January 21, 2005

The joint meeting of the Transportation and Regional Planning Committees was called to order by Regional Planning Committee Chair Lori Holt Pfeiler (North County Inland) at 11:17 a.m. The attendance sheet for the meeting is attached.

Chair Holt Pfeiler indicated that this meeting is a good moment in SANDAG history in that it is the first joint meeting of the Transportation and Regional Planning Committees since the adoption of the Regional Comprehensive Plan (RCP). She added that because SANDAG is moving into RCP implementation, she anticipates that there will be additional joint meetings in the future.

Chair Holt Pfeiler requested that members of both Committees introduce themselves.

REPORTS

A. CREATION OF A NEW REGIONAL PLANNING STAKEHOLDERS WORKING GROUP (RECOMMEND)

Chair Holt Pfeiler commented that there was a lot of interest from the public wanting to participate on the new Regional Planning Stakeholders Working Group. She stated that Councilmember Jim Madaffer (City of San Diego) will lead this discussion.

Councilmember Madaffer noted that in November 2004, the Regional Planning and Transportation Committees recommended to the SANDAG Board that a new Stakeholders Working Group be appointed to advise the Transportation and Regional Planning Committees, SANDAG staff, and the Board on matters pertaining to the Regional Transportation Plan update and the RCP strategic initiatives.

A selection committee, which included members from both the Transportation and Regional Planning Committees, was appointed to review the applications. Selection committee members included: Supervisor Pam Slater-Price, Councilmembers Jim Madaffer, Maggie Houlihan, Phil Monroe, Jack Dale, and Mayor Lori Holt Pfeiler. Additional committee members included Fred Leudtke, representing the City/County Transportation Advisory Committee, and Nancy Bragado, representing the Regional Planning Technical Working Group.
The Selection Committee met twice and made selections based upon a set of criteria including skills and abilities, experience with regional planning issues, and a demonstrated commitment to serve. The Committee wanted to ensure that a broad array of interests were represented, and that the working group had balanced geographical representation from around the region. The Committee recommended a slate of 26 members and asked that both Committees recommend that the SANDAG Board appoint the proposed slate. In addition, the Selection Committee requested that a member from either the Transportation or the Regional Planning Committee serve as chair of the new working group.

After the Board appoints the proposed members to the working group, staff will send letters to all applicants notifying them of the final decision. Letters also will be sent to the new members with information about the meeting schedule, staff contacts, and the agenda for the first meeting.

MOTION

Councilmember Peters (City of San Diego) made the motion that the proposed slate be approved. Transportation Committee Chairman Councilmember Kellejian (North County Coastal) seconded the motion.

DISCUSSION ON THE MOTION

Councilmember Peters requested that background information on proposed members be distributed.

Councilmember Madaffer agreed that the slate of names and a bio sheet should be forwarded to the full SANDAG Board for its information.

Councilmember Feller (North County Coastal) pointed out that this is a large list of names. He asked whether this was a typical size working group.

Chair Holt Pfeiler responded that it was a difficult task to get the group down to this small size. Over 100 applications were received.

Mayor Madrid (East County) requested that staff prepare a matrix of where the proposed members come from, from a geographical perspective. He stated that all areas of the region should be represented on this working group.

Councilmember Madaffer mentioned that those comments were made at the Selection Committee meeting. This list brings a fresh perspective to SANDAG and is representative of both specialty areas as well as a regional balance. There are 3 people from the North County Coastal area; 5 people from the North County Inland area; 4 people from the East County area; 3 people from the South County area; and 11 people from the Central San Diego area.

Councilmember Monroe noted that each candidate listed their individual area of interest, which the Selection Committee also tried take into consideration. The Committee eventually got the list down to 40 people and struggled to get the list down to 26.
Mayor Smith (North County Inland) asked if this group would serve as a planning commission to the full Board.

Staff responded that this is a stakeholder group that would complement the existing working groups. The group would provide input into the update of the RTP and the implementation of the RCP. This group would provide much needed input to the Transportation and Regional Planning Committees.

Supervisor Horn stated that he only recognizes four names on the list, and none of them represent the unincorporated area.

Chair Holt Pfeiler reiterated that all geographical regions are represented in this working group, including several members representing the unincorporated areas.

Councilmember Rindone also expressed concern regarding regional balance in the working group. He asked that if there were the need to have any selected participants replaced, that they be replaced from the same geographical area. He added that he knows of other eager and fresh names that were submitted but were not selected.

Chair Holt Pfeiler pointed out that there will be strict attendance requirements for the working group that will be enforced, and that the replacement suggestion will be considered.

Supervisor Slater-Price mentioned that there weren’t a lot of choices for candidates from South County or North County Coastal. She was surprised at the limited number of people from those areas that applied for the working group.

Action: Councilmember Peters (City of San Diego) made the motion to approve the proposed slate of names for the new Regional Planning Stakeholders Working Group and Councilmember Kellejian (North County Coastal) seconded the motion. The vote passed unanimously.

B. PILOT SMART GROWTH INCENTIVE PROGRAM UPDATE (DISCUSSION)

Mayor Holt Pfeiler noted that this effort is one of the first opportunities since the adoption of the RCP to better connect transportation, transit, and land use.

Staff provided the Committees with an update on the $17 million Pilot Smart Growth Incentive Program. An ad hoc working group, which includes members of the Transportation Committee, Regional Planning Technical Working Group, and Cities/County Transportation Advisory Committee (CTAC), has been meeting to develop program administrative requirements and project selection criteria. The primary goal of the Pilot Smart Growth Incentive Program is to implement a set of demonstration projects that, when complete, will serve as examples for smart growth development consistent with the RCP. The pilot program will provide valuable experience in selecting and implementing capital improvement projects that are intended to have an impact on land development and transportation choices in the project area. Lessons learned from the pilot program will be
used to help develop the longer-term Smart Growth Incentive Program funded through the TransNet Extension.

Staff noted that the ad hoc working group has held three meetings to date. The working group agreed on a draft list of evaluation criteria and divided the criteria into two categories:

1. Screening criteria that determine basic program eligibility; and
2. Project evaluation criteria that determine funding priority.

The purpose of the criteria is to ensure that candidate projects meet the Transportation Enhancements (TE) funding requirements and can be implemented in a short time frame (i.e., are “ready to go” projects). The specific criteria also are intended to help select projects that are well designed, encourage multiple transportation modes, and otherwise support the smart growth development goals of the RCP.

Once a consensus has been developed on the criteria and their relative weighting, the ad hoc working group will develop recommendations regarding the project selection process. A recommendation for approval of this pilot program is expected in February/March 2005, with a call for projects anticipated in March/April 2005. Staff will come back before both Committees in March with an update.

Councilmember Monroe emphasized that this is a pilot project where the funding is available now and should be spent quickly. That is the reason that ready to go projects were high on the list of priority projects. He recommended approval of this item.

Chair Holt Pfeiler brought attention to a letter from Tom Scott of the San Diego Housing Federation, which indicated that there is no inclusion of affordable housing in this program. The letter also expressed his disappointment that he wasn’t appointed to the new Stakeholders Working Group.

Councilmember Emery (North County Inland) agreed with the letter from Mr. Scott that affordable housing needs to be included as a part of the criteria for funding. It is important that specific reference to affordable housing be added to the criteria.

Mayor Cafagna (North County Coastal) also agreed.

Councilmember Kellejian stated that there were several meetings held in the past regarding smart growth, and smaller cities or built out cities agreed that part of the program should recognize existing contributions to smart growth. He asked if that direction was taken into consideration with the current criteria. Staff indicated that the ad hoc working group will be considering both existing and planned smart growth projects.

Councilmember Kellejian questioned where in the criteria that would be located. Staff responded that criteria would be included in the group of smart growth land use characteristics.
Councilmember Kellejian asked for an explanation of a "human scale-built environment." Staff explained that there is a lot that goes into a human scale urban design: it basically means that it is a scale that is oriented toward the pedestrian, and that structures are built to the sidewalk and oriented toward street frontages versus large parking lots.

Councilmember McCoy noted that she didn’t see any definition of housing affordability in the criteria. It is a question that should be addressed. She noted that she also didn’t see any criteria that addressed affordability.

Mayor Holt Pfeiler mentioned that the working group can have that discussion and bring it back to the Committees.

Councilmember Peters asked if the criteria would preclude spending monies in areas that were built out and would not be changing. Will the criteria for funding insist that changes be made?

Staff responded that it could either be that an area is increasing its densities and needs additional funding for infrastructure enhancements, or is already an intense area and is in the process of upgrading infrastructure and requires additional funding.

Supervisor Horn asked whether any project that needs voter approval will be ineligible as a “ready to go” project.

Staff pointed out that there are different levels of project readiness.

Chair Holt Pfeiler stated that “ready to go” means just that. If an election needs to happen prior to a project being built, then it would not be considered ready to go.

Councilmember Monroe asked if there is a limit to the amount of funding that a project could apply for.

Staff responded that currently there is no funding limit request, but that the ad hoc working group had been considering whether funding for each project should be capped at $2 million or some other limit.

Councilmember Monroe commented that one of the challenges will be how to pare down the projects so as to maximize the available funding.

Councilmember Kellejian asked if there is a use it or lose it rule that will apply to this funding. He mentioned that there need to be criteria developed for that.

Staff indicated that the Transportation Committee has an existing use-it-or-lose-it policy for TE funds.

Councilmember Ritter (NCTD) stated that projects that could only receive $2 million would be more like a peanut-butter approach. Wouldn’t it be good to do a few really good “wow” projects?
Staff responded that in researching this issue, an average cost of a project is approximately $1 million to $2 million. That could include a total of eight good projects.

Mayor Madrid asked if the funding distribution criteria are geographically based.

Mayor Pro Tem Jones (Lemon Grove) expressed concern with the wording regarding the matching funds bonus. Criteria should be based on the quality of a project. He hopes that the smaller projects will be eligible to qualify for some of the project funding.

Chair Holt Pfeiler noted that this should be enough information for staff to move forward.

Staff reiterated that this information will be taken back to the ad hoc working group for discussion, then to the Regional Planning Technical Working Group and CTAC, and then will come back before the Regional Planning and Transportation Committees before going to the Board for approval.

Action: The Committee discussed this item and received it for information.

C. SHOWCASE LOCAL EXAMPLES OF SMART GROWTH: SMART GROWTH IN LA MESA (INFORMATION)

Dave Witt, Assistant City Manager for the City of La Mesa, made a presentation to the Committees about local smart growth planning and development activities taking place in the City of La Mesa. He pointed out that the City of La Mesa recently finished conducting a General Plan update. A primary objective of the update was to look at older commercial corridors that had shifted to larger retail outlets and were deteriorating. The update focused on future options for these areas, including possibilities to accommodate new growth and replace the deteriorating commercial uses with higher-intensity residential and mixed land uses.

The city developed a new land use category—the “mixed-use urban” designation. The mixed-use urban designation allows for a mix of commercial and residential development densities up to 40 dwelling units per acre. The mixed-use urban designation was applied to the major transit corridors within the city.

The City hired a team of architects, planners, and real estate experts to identify potential areas with opportunities for mixed use development through a feasibility study. The city then involved property owners, business owners, and prospective developers. The result was a set of design guidelines that support smart growth principles. The key to making the change to smart growth was capitalizing on the community’s desire to improve the blighted commercial areas.

Mr. Witt noted that a significant conclusion of their work is that requiring a commercial component in every “mixed-use urban” project is unrealistic and prevents profitable development. The City left all zoning in place, and added a Mixed-Use Overlay Zone to the Mixed-Use Urban designation, allowing developers the flexibility to build either mixed use with retail or simply higher-density multifamily housing. The city currently has six projects in
the development process. The design review process includes a Design Review Board to ensure an appropriate pedestrian realm.

Mr. Witt highlighted the key findings, which were that none of this could have been done without the citizens in the community and the support of the elected officials. He concluded that only time will tell if this effort will be a success.

Mayor Madrid commented that was an excellent overview of a project that has taken approximately 21 years. He suggested that La Mesa be used as an example in the future when referring to building smart growth and transit oriented development projects. He added that there are approximately 1,500 units currently under construction in the city and they anticipate an additional 2,500 transit-oriented development units in the near future.

Chair Holt Pfeiler asked if the community of La Mesa supported the plan update.

Mayor Madrid responded that the community embraced it.

Councilmember Feller asked if there are any height restrictions in the new zone.

Mr. Witt responded that the zoning has the flexibility to increase heights but would have to go through a discretionary review. The bottom line is the parking. To increase height you would have to consider if enough parking could be built to sustain the units being built.

Mayor Cafagna asked whether the units would be considered for sale or rent. He also asked why there isn’t an affordable housing component considered.

Mr. Witt indicated that there wasn’t a bias regarding for sale or rent. One part of the City’s overall program is to include affordable housing, which has been considered at other locations.

Councilmember Stocks stated that the City of La Mesa should be commended for its smart growth projects. He asked how the city has planned for the increase in traffic with the proposed increase in housing densities.

Mr. Witt responded that the transportation networks have been built as if the projects were commercial projects. Since commercial projects generate more traffic than residential projects, traffic increases are not foreseen.

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

**D. ADJOURNMENT**

Regional Planning Committee Chair Holt Pfeiler adjourned the joint meeting at 12:19 p.m.
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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.

1. APPROVAL OF MEETING MINUTES

   **Action**: Supervisor Horn (County of San Diego) made the motion and Deputy Mayor Patty Davis (South County) seconded to approve the minutes of the November 5, 2004 meeting. The vote was unanimously in favor.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

   None.

CONSENT AGENDA (Item 3 and 4)

3. REGIONAL PLANNING COMMITTEE 2005 MEETING SCHEDULE (INFORMATION)

4. STATUS OF THE RCP BASELINE MONITORING REPORT (INFORMATION)

   **Action**: Supervisor Horn (County of San Diego) made the motion and Deputy Mayor Patty Davis (South County) seconded to approve Consent Items 3 and 4.

REPORTS

5. ENERGY UPDATE (INFORMATION/POSSIBLE ACTION)

   Chair Holt Pfeiler indicated that the energy update will be postponed until the next meeting.
6. **UPCOMING MEETINGS**

The next meeting of the Regional Planning Committee is scheduled for 12 to 2 p.m. on Friday, February 4, 2005.

7. **ADJOURNMENT**

Chair Pfeiler adjourned the meeting at 12:15 p.m.
## CONFIRMED ATTENDANCE
### SANDAG REGIONAL PLANNING COMMITTEE MEETING
### JANUARY 21, 2005

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<td>NCTD</td>
<td>Bob Emery</td>
<td>Alternate</td>
<td>✓</td>
</tr>
<tr>
<td>Advisory Member</td>
<td></td>
<td>Dave Druker</td>
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<td>✓</td>
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<tr>
<td>Advisory Member</td>
<td></td>
<td>Vacant</td>
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<td>✓</td>
</tr>
<tr>
<td>Advisory Member</td>
<td>Regional Planning Technical Working Group</td>
<td>Gail Goldberg</td>
<td>Member</td>
<td>✓</td>
</tr>
</tbody>
</table>
APPROACH FOR DEVELOPING THE SMART GROWTH CONCEPT MAP

Introduction

The Regional Comprehensive Plan (RCP) contains policy objectives and actions aimed at improving transportation and land use coordination. A key recommendation is to identify “smart growth opportunity areas” and place a higher priority on directing transportation facility improvements and other infrastructure resources toward those areas.

The RCP defines seven categories of smart growth “place types,” ranging from “metropolitan center” to “rural community” (Attachment 1). In addition, the RCP recommends that smart growth development be planned near existing and future transit stations identified in the adopted Regional Transportation Plan (RTP), as well as other appropriate locations such as rural community village cores that can provide a focal point for commercial and civic uses that serve surrounding rural areas.

One of the RCP’s early actions is the development of a Smart Growth Concept Map illustrating the location of existing and planned smart growth areas, and potential smart growth areas. This report recommends a proposed approach and associated timeline for developing a draft smart growth concept map for use in updating the 2007 Regional Transportation Plan (RTP) and for use in the longer-term smart growth incentive program funded by TransNet. Comments by the Regional Planning Technical Working Group have been incorporated into this report.

Recommendation

The Regional Planning Committee is asked to make a recommendation to the SANDAG Board of Directors on the proposed approach for developing the Smart Growth Concept Map. Additionally, the Committee is asked to discuss overall public participation, as well as involvement by local elected officials, in the preparation of the Concept Map.

Background

The Concept Map will be used in relation to two SANDAG core initiatives (Attachment 2):

1. Updating the 2007 Regional Transportation Plan (RTP), including:
   o Development of alternative land use scenarios for the RTP update;
   o Update of the Regional Growth Forecast; and
   o Development of updated transportation project evaluation criteria.
2. Determining eligibility for the TransNet Smart Growth Incentive Program.

The uses of the map will influence the production schedule and will determine the level of detail needed for each initiative. The map will be updated periodically to reflect ongoing general plan amendments and updates.

**General Approach**

The seven smart growth place types identified in the RCP fall into two distinct categories—“Existing and Planned Smart Growth Areas” and “Potential Smart Growth Areas” (Attachment 2). Working with city and county planning staffs, SANDAG staff will evaluate the potential for the appropriate place types to be located at transit-oriented locations specified in the currently-adopted RTP, MOBILITY 2030, as well as opportunities in rural communities.\(^1\)

The transit networks in both the Reasonably Expected Revenue scenario and the more robust Unconstrained Revenue scenario are candidate sites for smart growth areas.

The TWG will serve as the lead advisory group in preparing the Concept Map. Input and direction will be solicited from the Regional Planning and Transportation Committees, the new Stakeholders Working Group, the Cities/County Transportation Advisory Committee (CTAC), the SANDAG Board of Directors, and the public.

**Schedule**

The schedule for preparing the Concept Map is tied to the 2007 RTP update schedule and the update of the Regional Growth Forecast. The land use assumptions for the “existing and planned” smart growth areas included on the Concept Map will be included in the Regional Growth Forecast, and will serve as the basis for developing the Existing Plans and Policies land use scenario. The land use assumptions for the “potential” smart growth areas will assist in developing the Enhanced Smart Growth land use scenario for the RTP update.

In order to allow sufficient time to develop the RTP land use scenarios, the final Smart Growth Concept Map is needed by September 2005. The following milestones are anticipated within this timeframe:

- TWG reviews Preliminary Draft Concept Map: March 10, 2005
- Regional Planning and Transportation Committees review Preliminary Draft Concept Map: May 6, 2005
- SANDAG Board accepts Draft Concept Map for public review: June 24, 2005
- Public Review Period: July – August 2005
- Regional Planning and Transportation Committees review revisions: September 2, 2005
- SANDAG Board accepts final Smart Growth Concept Map for use in preparing land use alternatives for the RTP update: September 23, 2005

---

\(^1\) Transit locations could include existing and future transit stations serving regional and corridor transit services such as the Trolley, Coaster, Sprinter, and bus rapid transit (BRT) corridors, as well as existing and future “urban corridor” service areas along key local transit routes, such as University Avenue and El Cajon Boulevard in San Diego and La Mesa.
Technical Issues

Illustrative and Analytical Maps

SANDAG envisions two types of maps associated with the development of the Concept Map – an Illustrative Map and an Analytical Map.

The Illustrative Map will serve as the map intended for public dissemination and for showing the areas that will be eligible for grant funding from the TransNet Smart Growth Incentive Program. While the focus of the Illustrative Map will be on identifying and illustrating the location of existing, planned, and potential compact urban development near regional transit, the map also will include other information, such as the locations of key open space preserve areas that are planned for acquisition through the various habitat conservation plans. Incorporating preserve areas into the Illustrative Map will help identify areas of the region where urban development should not occur, as well as appropriate locations for the rural community smart growth place type.

A series of more detailed Analytical Maps will serve as the basis for developing the overall Illustrative Map, and will assist in developing inputs to the growth forecast and the land use scenarios for the modeling needs associated with the RTP update. SANDAG and local planning staffs will use the analytical maps as a tool for developing the Illustrative Map.

Discussion

Jurisdictional Endorsements

In order to generate support for the Smart Growth Concept Map, buy-in from local policymakers is critical. It will be important to secure local commitments for using the Concept Map to develop the land use alternatives for the RTP update and determine eligibility for the TransNet Smart Growth Incentive Program.

It is recommended that local planning staffs solicit input from their planning commissions and elected bodies on the existing, planned, and potential smart growth areas identified in their jurisdictions. Additionally, it is proposed that each jurisdiction provide written agreement to show the identified areas on the final Smart Growth Concept Map, as well as confirmation that the assumptions for the potential smart growth areas can be incorporated into the land use scenarios for transportation modeling purposes for the RTP update. The public review period scheduled from July through August 2005 can be used for this purpose.
Public Involvement

In addition to local policymaker involvement, interested stakeholders and residents should have an opportunity to participate in the development of the Concept Map. It is proposed that once the SANDAG Board accepts the draft Concept Map in June 2005 for public review, SANDAG and local jurisdictions co-host a number of subregional workshops to solicit public input on the Concept Map. Additionally, the new Stakeholders Working Group will be involved in the preparation of the map.

BOB LEITER
Director, Land Use and Transportation Planning

Attachment

Key Staff Contact: Carolina Gregor, (619) 699-1989; cgr@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 compliment 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)

<table>
<thead>
<tr>
<th>CATEGORY/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>
<tbody>
<tr>
<td>Metropolitan Center</td>
<td>Desired Building Types: Mid- to high-rise residential and office/commercial 75+ dwelling unit/average net residential acre within ¼ mile radius of transit station 80+ employees/average net acre within ¼ mile of transit station</td>
<td>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</td>
<td>Served by numerous corridor/regional/local services Very high frequency service (less than 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</td>
<td>Downtown San Diego</td>
</tr>
<tr>
<td>CATEGORY/LAND USE TYPE CHARACTERISTICS</td>
<td>LAND USE INTENSITY TARGETS</td>
<td>TRANSPORTATION SYSTEM CHARACTERISTICS</td>
<td>PUBLIC TRANSIT SERVICE CHARACTERISTICS</td>
<td>EXAMPLES</td>
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<tr>
<td>Downtown San Diego</td>
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<tr>
<td>Urban Center</td>
<td>Desired Building Types: Mid-to high-rise residential and office/commercial</td>
<td>Freeway connections with multiple access points</td>
<td>Served by several corridor/regional lines and several local services</td>
<td>Existing and Planned: Rio Vista (Mission Valley) (San Diego)</td>
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<tr>
<td>- Employment draws from throughout region, while other uses draw mainly from subregional area</td>
<td>40-75+ dwelling unit/average net acre residential within ¼ mile radius of transit station</td>
<td>Served by several corridor/regional transit lines and several local services</td>
<td>High to very high frequency service (less than 15 minute peak) on all corridor/regional services</td>
<td>Little Italy (San Diego)</td>
</tr>
<tr>
<td>- Urban centers likely located within larger area that has several SGOA designations</td>
<td>25+ dwelling unit/acre for mixed use sites within ¼ mile radius of transit station</td>
<td>Possible shuttle routes for internal trips</td>
<td>High frequency throughout the day on all lines</td>
<td>Costa Verde (University City) (San Diego)</td>
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<tr>
<td>- Mixed use employment</td>
<td>50+ employees per net acre within ¼ mile of transit station</td>
<td>Minimal park-and-ride facilities; access should be handled by internal shuttle system</td>
<td>Key transit center, along with multiple smaller station locations</td>
<td>The Boulevard Marketplace Pilot Village (San Diego)</td>
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<tr>
<td>- Civic/cultural facilities</td>
<td></td>
<td></td>
<td>Possible internal shuttle system</td>
<td>Morena Linda Vista (San Diego)</td>
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<td></td>
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<td></td>
<td>East Urban Center (Chula Vista)</td>
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<td>LAND USE INTENSITY TARGETS</td>
<td>TRANSPORTATION SYSTEM CHARACTERISTICS</td>
<td>PUBLIC TRANSIT SERVICE CHARACTERISTICS</td>
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<tr>
<td>Town Center</td>
<td>Desired Building Types: Low- to mid-rise</td>
<td>Served by one or more corridor/ regional transit line and several local services</td>
<td>Served by 1 to 2 corridor or regional lines, or less than 5 minute shuttle distance from corridor/regional station, and multiple local services</td>
<td>Existing and Planned: Downtown Oceanside, Downtown Escondido, Downtown La Mesa, Downtown El Cajon, Downtown Chula Vista, La Jolla (San Diego), Village Center Pilot Village (Eudid/Market, San Diego), Hillcrest (San Diego), Heart of the City (San Marcos), Vista Village Transit Center, Santee Town Center, Potential SGOA: Grantville Trolley Station (SD), San Marcos Creek Specific Plan</td>
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<td></td>
<td>Residential and office/ commercial, including mixed use</td>
<td>May also be served by regional arterials</td>
<td>Very high frequency service (less than 15 minute peak) on corridor/regional service or connecting shuttle</td>
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<td></td>
<td>Civic/cultural facilities</td>
<td></td>
<td>High frequency throughout the day on most lines</td>
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<td></td>
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<td>Multiple station locations, some with central access/transfer point</td>
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<td>Shared-use parking or dedicated park-and-ride facilities for regional transit services</td>
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<td>CATEGORY / LAND USE TYPE CHARACTERISTICS</td>
<td>LAND USE INTENSITY TARGETS</td>
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<td>EXAMPLES</td>
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<tr>
<td>Community Center</td>
<td>Desired Building Types:</td>
<td>Served by at least one corridor or regional service</td>
<td>Served by at least one corridor/ regional service</td>
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<tr>
<td>- Draws from nearby community/ neighborhoods</td>
<td>Low- to mid-rise</td>
<td>High frequency service (15 minute in peak hours) on corridor/ regional services</td>
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<tr>
<td>- Residential and commercial, including mixed use</td>
<td>20-45+ dwelling unit/average net acre within ¼ mile of transit station</td>
<td>Moderate to high frequency throughout the day</td>
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<tr>
<td>- Possible community-serving civic uses</td>
<td></td>
<td>One or more on-street stations</td>
<td>Existing and Planned:</td>
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</tbody>
</table>

- Otay Ranch Villages (Chula Vista)
- Mercado (Barrio Logan, San Diego)
- Mira Mesa Market Center (San Diego)
- Pacific Highlands Ranch (San Diego)
- Downtown Lemon Grove
- Downtown Coronado
- San Elijo/La Costa Meadows Community Center (San Marcos)
- Palm Avenue (Imperial Beach)

Potential SGOAs:
- Solana Beach/ NCTD Mixed Use Site
- North County Metro (Buena Creek Sprinter Station Area, County of San Diego)
<table>
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<th>CATEGORY/ 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>
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<tr>
<td>Transit Corridor</td>
<td>Desired Building Types: Variety of low-, mid-, and high-rise</td>
<td>Located along a major arterial</td>
<td>Generally served by a corridor/ regional line and local services</td>
<td>Existing and Planned:</td>
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<td>25-75+ dwelling unit/ average net acre along transit corridor and within ¼ mile of transit stations</td>
<td>Served by a corridor or regional service, or local services with less than 10 minutes travel time to corridor/ regional line station</td>
<td>High frequency service (15 minute in peak hours) on corridor/ regional and/or local services</td>
<td>El Cajon Blvd and University Avenue (Mid-City) (San Diego)</td>
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<td></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>Washington Ave (Mission Hills)</td>
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<td>Linear size with length extending from less than one mile long, and width extending 1 to 2 blocks outward from corridor</td>
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<td>University Avenue (La Mesa)</td>
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<td></td>
<td>Residential and office/commercial, including mixed use</td>
<td></td>
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<td>South Santa Fe Transit Corridor (Vista)</td>
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<td>Located along a major arterial</td>
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<td>Potential SGOA:</td>
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<td></td>
<td>25-75+ dwelling unit/ average net acre along transit corridor and within ¼ mile of transit stations</td>
<td></td>
<td></td>
<td>El Camino Real (Encinitas)</td>
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<td>CATEGORY/ LAND USE TYPE CHARACTERISTICS</td>
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<tr>
<td>Special Use Center</td>
<td>Desired Building Types: Variety of low-, mid-, and high-rise</td>
<td>Nearby freeway access</td>
<td>Generally served by one or more corridor/ regional line and local services</td>
<td>Existing and Planned: Grossmont Center/ Hospital/ Trolley Station (La Mesa)</td>
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<td>Employment draws from throughout region, with other uses being community serving</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>
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<tr>
<td>Special use centers may be located within larger area that has several SGOA designations</td>
<td>Optional residential: 50+ dwelling units/ 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>Dominated by one non-residential land use</td>
<td>Retail support services</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>Potential residential element</td>
<td></td>
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<td>Cal State San Marcos</td>
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</table>

Potential SGOAs:
- Ocean Ranch / Rancho Del Oro Industrial Complex (Oceanside)
- Vista County Courthouse Area
<table>
<thead>
<tr>
<th>CATEGORY / 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>
<tbody>
<tr>
<td>Rural Community</td>
<td>Within Village Cores, 10.9-24+ dwelling units/acre (higher densities permitted for senior housing)</td>
<td>Concentrated local road network within village, with regional 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, Planned, and Potential SGOAs: Ramona Fallbrook Alpine Lakeside Valley Center</td>
</tr>
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<td></td>
<td>Desired Building Types: Low-rise employment and residential</td>
<td>Bicycle and pedestrian-friendly street design in Village Core</td>
<td>Served by one or more local services with moderate frequencies throughout the day</td>
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<td>Could include park-n-ride facilities near major road or transit corridors</td>
<td>Possible peak period corridor/regional service with transit stations located within village core</td>
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<td></td>
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<td>Possible local transit service or central access point for possible corridor/regional peak transit line</td>
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## Characteristics of Smart Growth Categories
### And Uses of Smart Growth Concept Map
#### February 4, 2005

<table>
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<tr>
<th>SMART GROWTH CATEGORIES</th>
<th>CHARACTERISTICS</th>
<th>USES OF CONCEPT MAP</th>
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</thead>
<tbody>
<tr>
<td>Existing and Planned Smart Growth Areas</td>
<td>Places where existing development and/or planned land uses are consistent with the urban design characteristics and minimum residential and employment land use intensities described in the Smart Growth Matrix.</td>
<td>1. RTP Update</td>
</tr>
<tr>
<td>Potential Smart Growth Areas</td>
<td>Opportunity areas where there is potential for the application of urban design characteristics and minimum residential and employment land use intensities described in the Smart Growth Matrix if appropriate changes are made to local plans.</td>
<td></td>
</tr>
</tbody>
</table>

### USES OF CONCEPT MAP

1. **RTP Update**
   a. Development of Land Use Scenarios
      - **Existing Plans and Policies Scenario**
        - Will be included in the Existing Plans and Policies Scenario.  
      - Will not be used in the Existing Plans and Policies Scenario.  
      - **Enhanced Smart Growth Scenario**
        - Will be included in the Enhanced Smart Growth Scenario, at same intensities as assumed in (a) above.  

2. **TransNet Smart Growth Incentive Program**
   - Eligible for both planning and infrastructure grants.  
   - Eligible for planning grants only.  

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1. The Existing Plans and Policies Scenario will include the Existing and Planned Smart Growth Areas, and will therefore contain the same information as the Regional Growth Forecast.
2. Jurisdictions that currently are in the process of updating their local plans may submit written correspondence to SANDAG requesting that particular areas demonstrating planned characteristics be considered as planned smart growth areas for forecasting purposes prior to the completion of their general plan update.
Regional Housing Needs Assessment (RHNA) for the 2005-2010 Housing Element Cycle

Introduction

The final decision on the Regional Housing Needs Assessment (RHNA) for the 2005–2010 housing element cycle is scheduled for consideration by the SANDAG Board of Directors on February 25, 2005. The Draft RHNA was accepted for distribution by the Board for a 90-day public review period on September 24, 2004. In December, at the request of the City/County Management Association, the Board Chair agreed to a 30-day extension of the public review period to January 31, 2005.

The discussion and comments received during the public review period have focused on the income allocation of the Draft RHNA. In addition to allocating the region's overall housing need (107,301 units) by jurisdiction, each jurisdiction's housing need number is required to be allocated into four income categories: very low, low, moderate, and above moderate.

A number of alternatives for allocating each jurisdiction’s regional share have been discussed and are shown in Attachments 1 and 2. Attachment 1 shows the three alternatives (Alternatives 1, 2, and 3) considered by the Regional Planning Committee (RPC) on September 3. At that meeting the RPC recommended that the SANDAG Board of Directors accept Alternative 3 for distribution as the Draft RHNA. On September 24, the SANDAG Board accepted Alternative 3 for distribution, and directed that Alternatives 1 and 2 also be distributed for information.

During the public review period the lower-income allocation methodologies used by the Association of Bay Area Governments (ABAG) and Southern California Association of Governments (SCAG), and a sixth alternative suggested by the City of Poway (Modified Alternative 1), were reviewed by the Regional Planning Technical Working Group (planning directors). Attachment 2 shows the lower-income allocations for each jurisdiction based on the six alternatives: ABAG; SCAG; Alternatives 1, 2, and 3; and Modified Alternative 1.

Recommendation

The RPC should make a recommendation to the SANDAG Board regarding the Final RHNA for the 2005-2010 housing element cycle. The Regional Planning Technical Working Group (TWG) met on January 13 and January 26, 2005, to discuss the income allocation alternatives. With the goal of forwarding a recommendation to the RPC, the TWG discussed and took a number of straw votes on the various income allocation alternatives. Although the group was not able to reach a consensus on one alternative, the discussion and votes taken resulted in a narrowing of the focus to two alternatives—Alternative 3 and Modified Alternative 1. The results of the TWG straw votes and
those taken by the SANDAG Board at its January 14, 2005, Policy Board meeting are described in the Discussion section below.

Discussion

The requirement for each jurisdiction to identify sites for their housing needs has made reaching consensus on the RHNA numbers difficult to achieve. Jurisdictions are required to identify adequate sites for each income category. The most challenging aspect of this requirement is the need to identify multifamily-zoned sites (typically in the range of 15-30 dwelling units per acre) to provide opportunities for housing for very low and low-income households. Although higher-density zoning does not ensure the construction of lower-income affordable housing, it is a prerequisite for using the financial resources and programs that allow this type of housing to be built.

On January 14, 2005, a Policy Board meeting was held to discuss issues associated with the Draft RHNA. (Attachment 3 is the Draft Board of Directors Discussion and Actions from that meeting.) The primary issues discussed included:

- How should the region's future lower-income housing needs be distributed among the region's jurisdictions?
- What changes to the Draft RHNA can be made in the short-term to complete the process?
- What changes can be made in the long-term to improve the next RHNA process?

The SANDAG Board and Regional Planning Technical Working Group (TWG) both took straw votes on the income allocation alternatives at their January meetings to determine whether a consensus could be reached. As noted in the Recommendation section, Alternative 3 and Modified Alternative 1 received the most support. Based on a show of hands at the Policy Board meeting on January 14, twelve Board members supported Modified Alternative 1 and nine Board members supported Alternative 3.

Technical Working Group

At its January 26 meeting, the TWG continued its RHNA discussion (from its January 13 meeting) and took several straw votes, which basically resulted in a tie between Alternative 3 and Modified Alternative 1. The City of Escondido provided a table showing the cumulative number and percentage of lower-income households for several representative jurisdictions that could result based on Alternatives 1, 2, 3, and Modified Alternative 1 (Attachment 4).

The following seven jurisdictions preferred Alternative 3: Chula Vista, Del Mar, Escondido, La Mesa, San Diego, San Marcos, and Vista.

The following 11 jurisdictions preferred Modified Alternative 1: Carlsbad, Coronado, El Cajon, Encinitas, Imperial Beach, Lemon Grove, National City, Poway, Santee, Solana Beach, and the County of San Diego. (There is no difference between Alternative 3 and Modified Alternative 1 for four of these jurisdictions—El Cajon, Imperial Beach, Lemon Grove, National City.)
In the spirit of achieving consensus, of the seven jurisdictions that preferred Alternative 3, three indicated that they would be willing to compromise on Modified Alternative 1: Del Mar, La Mesa, and San Diego.

During the discussion, members of the TWG strongly recommended that jurisdictions that plan for and provide housing should be rewarded for their efforts and that funding should be allocated based on performance. Funds should be directed toward higher-density urban areas and SANDAG should ensure that this occurs through its Smart Growth Concept Map, Smart Growth Incentive Program, and other funding decision-making activities.

Letters of comment received on the Draft RHNA from the cities of Carlsbad, Encinitas, and Imperial Beach are attached.

BOB LEITER
Director of Land Use and Transportation Planning

Attachments:

2. Table Comparing Lower-Income Allocation Alternatives 1, 2, 3, and ABAG, SCAG, and Modified Alternative 1 Methodologies (January 26, 2005)
3. Draft Discussion and Actions - Policy Development Board Meeting (January 14, 2005)
4. Cumulative Number/Percentage of Lower-Income Households under RHNA Alternatives 1, 2, 3, and Modified Alternative 1
7. City of Imperial Beach Letter to Susan Baldwin re: Regional Housing Needs Assessment (December 14, 2004)

Key Staff Contact: Susan Baldwin, (619) 699-1943; sba@sandag.org
## Draft Regional Housing Needs Assessment
### Three Income Allocation Alternatives

<table>
<thead>
<tr>
<th>Regional Share</th>
<th>Carlsbad</th>
<th>Chula Vista</th>
<th>Coronado</th>
<th>Del Mar</th>
<th>El Cajon</th>
<th>Encinitas</th>
<th>Escondido</th>
<th>Imperial Beach</th>
<th>La Mesa</th>
<th>Lemon Grove</th>
<th>National City</th>
<th>Oceanside</th>
<th>Poway</th>
<th>San Diego - Original Unincorporated Area</th>
<th>San Diego - Revised*</th>
<th>San Marcos</th>
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<th>Solana Beach</th>
<th>Vista</th>
<th>Unincorporated Area - Original Unincorporated Area - Revised*</th>
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**Note:** Some jurisdiction allocations by income category were adjusted slightly to ensure that regional income category percentages provided by the California Department of Housing and Community Development (HCD) -- 22.5 percent very low income, 17.1 percent low income, 18.9 percent moderate income, and 41.5 percent above moderate income -- were met.

*Adjusted to reflect transfer of lower income units from Unincorporated Area to City of San Diego.

**Alternative 3** was accepted by the SANDAG Board for distribution on September 24, 2004. Alternatives have been revised to allocate 107,301 units and make corrections to the allocation calculations. Totals may be affected by rounding.
### Table Comparing Lower Income Allocation Alternatives 1, 2, 3 and ABAG, SCAG, and Modified Alternative 1 Methodologies

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>1999 Lower Income Households</th>
<th>Regional Average</th>
<th>Adjustment Methodology</th>
<th>Regional Share (12/21/04)</th>
<th>Lower Income RHNA Numbers*</th>
<th>Mod. Alt. 1 minus</th>
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<tr>
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<td>SANDAG</td>
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<tr>
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<tr>
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<td>Del Mar</td>
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<tr>
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</tbody>
</table>
| **NOTE:** Totals and percentages may be affected by rounding.

*Adjusted to reflect transfer of lower income units from Unincorporated Area to City of San Diego.
(577 under ABAG; 555 under SCAG; 621 under SANDAG Alt. 1; 665 under SANDAG Alt. 2; and 709 under SANDAG Alt. 3)

**Alternative 3 was accepted by the SANDAG Board for distribution on September 24, 2004.

**ABAG Methodology:** Shifts each jurisdiction's income distribution as determined by the 2000 Census 50 percent toward the regional average.

**SCAG Methodology:** Communities are grouped into three categories depending on how their share of lower income households compares with the region, by moving the total 1/2 when share is within 10 percentage points of the regional average, 1/4 when share is 10 percentage points less than the regional average, or 3/4 when share is 10 percentage points above the regional average of the way toward the regional average.

**SANDAG Alternatives 1 - 3:** Alt. 1 applies the regional average to each jurisdiction. Alt. 3 add/subtracts the difference between the jurisdiction's share and the regional share and adds to/subtracts from the regional average. Alt. 2 is the midpoint between Alt. 1 and 2.

**Modified Alternative 1:** No adjustment to Alternative 1 when existing percentage is between 35 and 45 percent. Jurisdictions with over 45 percent lower income households use Alt. 3 with difference distributed proportionately to jurisdictions with share under 35 percent.

January 26, 2005
Chairman Mickey Cafagna (Poway) called the meeting of the SANDAG Board of Directors to order at 9:19 a.m. He welcomed new members: Marilyn Daily from the San Diego County Water Authority, Matt Hall from Carlsbad, Art Madrid from La Mesa, Pam Slater-Price from the County of San Diego, Pia Harris-Ebert from San Marcos, and Ed Gallo representing the North County Transit District (NCTD). The attendance sheet for the meeting is attached.

0. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments.

REPORTS

2. REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) (DISCUSSION)

Susan Baldwin, Senior Planner, stated that there are three basic components of the RHNA: the overall regional housing need for the 2005-2010 housing element cycle, allocation by jurisdiction, and allocation by income category. She reviewed the RHNA timeline, which leads to adoption of the RHNA at the February 25, 2005, SANDAG Board meeting. She said that there are three major issues: (1) how should the region’s future lower income housing needs be distributed among the region’s jurisdictions, (2) what changes to the draft RHNA can be made in the short term, and (3) what changes can be made in the long term to improve the next RHNA process.

Ms. Baldwin stated that the Regional Comprehensive Plan (RCP) focuses on smart growth, seeks to improve the link between transportation and land use, and recommends that the region plan for more housing choice and an increase in the region’s housing supply. The goal of the RCP’s Housing Chapter is to provide a variety of affordable and quality housing choices for people of all income levels. The policy objective is to increase the supply of and variety of housing choices, especially higher density multifamily housing. The recommended actions in the Housing Chapter are to: identify and rezone appropriate sites for entry-level houses, multifamily and mixed-use housing, located close to public transportation, employment, and other services; and identify and develop appropriate underutilized sites for housing.

Ms. Baldwin said that state housing element law assigns local jurisdictions the responsibility of updating their housing elements every five years, and that the next element is due
June 30, 2005. State law assigns SANDAG responsibility for the RHNA process, which determines the number of units the region and local jurisdictions need to plan for. The RHNA is developed in consultation with the California Department of Housing and Community Development (HCD) to determine the region’s share of the state’s housing need. The regional share is allocated by jurisdiction and by income category. Jurisdictions need to identify adequate sites to accommodate their overall share of the region’s housing needs and provide opportunities for the construction of lower-income housing.

Ms. Baldwin stated that four groups were involved in the RHNA process to date: the Regional Planning Committee and three working groups -- the Regional Planning Technical Working Group, the Regional Housing Task Force, and the Regional Housing Needs Working Group. The draft RHNA numbers represent a general consensus of these groups.

Ms. Baldwin stated that the recommendation for the overall housing need number for the region is 107,301 units, and that this need is consistent with the goals and objectives of the RCP which calls for increasing housing supply and choice in the region. The second step in the process is to allocate the overall number by jurisdiction. The recommended allocation by jurisdiction was based on SANDAG's growth forecast and each jurisdiction's share of projected employment growth between 2000 and 2010. This recommendation was based on better linking housing with job growth. The third step in the process is to allocate each jurisdiction’s number into four income categories: very low (23 percent), low (17 percent), moderate (19 percent), and above moderate (41 percent). (The percentages associated with each income group are the percent of households in the region in each income category as of the 2000 Census.) The allocation by income category must seek to reduce the concentration of lower income households in jurisdictions with a disproportionately high percentage of lower income households. The income limits for a family of four for each income category are as follows: Very Low Income - $34,250, Low Income - $54,800, and Moderate Income - $76,100. Above Moderate households make 120 percent and above of the area median income, which is $63,400 for a family of four.

Ms. Baldwin described three alternatives by income category: Alternative 1 proposes applying the existing regional percentage of lower income households to each jurisdiction’s regional share, Alternative 2 proposes a greater over-concentration adjustment of lower income housing needs, and Alternative 3 proposes the highest over-concentration adjustment of lower income housing needs. The draft RHNA is based on Alternative 3.

Ms. Baldwin reviewed the draft RHNA issues and short-term solutions such as distributing local RHNA numbers by income category using a different methodology, transferring units between jurisdictions, and adjusting the overall 7.5-year number (107,000 units) to a five-year number (71,333 units) using a pro rata methodology.

She stated that several alternative income allocation methodologies have been proposed. The City of Carlsbad asked that the income allocation methodologies used by the Association of Bay Area Governments (ABAG) and the Southern California Association of Governments (SCAG), which work toward reducing the over-concentration of lower income households to a lesser degree than Alternatives 1 – 3, be considered by SANDAG. During development of the draft RHNA, an adjustment was made between the City of San Diego and the County of San Diego that resulted in the transfer of lower income units (multifamily) from the County to the City, and the transfer of above moderate income units (single family) from the City to
the County. A similar type of transfer is being discussed by the cities of Poway and National City. Another alternative, a modification to Alternative 1, also has been proposed by the City of Poway.

Ms. Baldwin reviewed several potential long-term changes and RCP initiatives that may affect future RHNA processes including: subregional allocations, the Smart Growth Concept Map, the Smart Growth Incentive Program; and participation in efforts focused on the reform of the state housing element law, land use and housing proposals from the Governor’s office, and state-local fiscal reform. Ms. Baldwin stated that the next step is for the SANDAG Board to take action on the final RHNA numbers at its meeting on February 25, 2005.

Chair Cafagna recognized Gail Goldberg, Chair of the Regional Planning Technical Working Group (RPTWG), for a report on this Group’s recent meeting.

Ms. Goldberg stated that the RPTWG met on January 13, 2005, to discuss the short-term solutions to address the RHNA process. Carlsbad and Poway presented new alternatives. We are now looking at six potential income distribution alternatives. SANDAG’s Alternative 1 was proposed as a compromise solution. However, the RPTWG was not able to reach a consensus on any of the alternatives. She reviewed several of the comments made at that meeting.

Dennis Turner, Carlsbad Planning Department, said that the City of Carlsbad cannot meet the number of units in Alternative 3 because it doesn’t have sufficient vacant land. Of the vacant land it does have, over 50 percent is already constrained through entitlements to developers, and all of those entitlements are accompanied by long-term financial plans, infrastructure plans, and fees. The City cannot go back to those developers to turn housing projects into apartments. Mr. Turner reviewed the actions the city has taken related to affordable housing. He suggested that SANDAG consider what other councils of governments (COGs), such as ABAG and SCAG, have been doing with respect to the income allocation issue, the standard practice throughout the state. He asked that SANDAG take the time to understand the realities and implications of what the jurisdictions are facing, and then make a good decision for the region. Carlsbad cannot achieve the regional percentage in one housing element cycle.

Ms. Baldwin pointed out that none of the SANDAG alternatives would result in jurisdictions meeting the regional percentage of lower income households during the next five-year housing element cycle.

Supervisor Slater-Price asked what Carlsbad’s views are on Alternative 1. Mayor Pro Tem Matt Hall (Carlsbad) said that they could deal with the numbers in that alternative if they were given more than one cycle to do so.

Niall Fritz, Poway Director of Development Services, stated that all of the jurisdictions have numbers that they don’t believe they can attain. Poway is 97 percent developed today, and 1,025 units is more than twice the housing units built in the City during the last housing element cycle. We built almost 400 low income housing units during this last cycle, and the City has purchased every available multifamily housing site. We expect to build about 200 low income units during the next five years. Of regional importance, the RHNA numbers should be allocated in accordance with the regional plans and in smart growth areas. Poway
doesn't qualify as a smart growth area. Mr. Fritz presented a new proposal (included in the Revised Attachment 5 handout), which is a modification of Alternative 1. The new alternative offered as a compromise would use Alternative 3 in allocating the lower income housing need in the four jurisdictions where the overconcentration of lower income households is greatest.

Chair Cafagna noted that we are facing a population increase of a million more people in our region, and recognized that we have a housing supply deficit in all communities and need to set the stage for the next cycle. We have to deal with the differences between our communities and with the concept of smart growth. The State of California is imposing a number of units and not taking into account the issues prohibiting us from attaining those numbers.

Mayor Art Madrid (La Mesa) did not feel that comparing SANDAG to ABAG or SCAG was a valid comparison. The diversity in those regions is greater than in ours.

Public Comments:

Tom Scott, Executive Director of the San Diego Housing Federation, recognized that all of the alternatives will be a challenge for everyone. One of the goals of this process is to try to achieve a jobs/housing balance. We have an obligation to provide housing for workers in our area. Multifamily housing is really the only product that will help us eliminate our housing crisis. With the land shortage, this is the only viable alternative in the future. The RHNA process used to be called “fair share” and the Federation supports Alternative 3 in light of that goal.

Scott Malloy with the Building Industry Association (BIA) indicated that the BIA has been involved in this process and is a member of the Regional Housing Task Force. They support the draft RHNA numbers but don’t feel that they go far enough to meet the housing demand. This is an opportunity for jurisdictions to work cooperatively within the region, take a proactive approach to our housing needs, and set the stage for long, prosperous, and steady economic growth.

Susan Tinsky, San Diego Regional Chamber of Commerce Housing Committee, stated that this is an important issue for the Chamber of Commerce. For 2005, the Chamber has made housing its top priority. We have been working for several months to come forward with a 90-day action plan to address housing issues within the City of San Diego, but recognize that this is a regional issue. We believe this process should not be delayed any further. The action the SANDAG Board took in September is the right action, and zoning for multifamily housing is critical.

Sherm Harmer with Urban Housing Partners said that on behalf of the Chamber, we respect the premise SANDAG is working under. Housing is a local issue but has regional impacts. The Chamber believes as a business leader that one of the major philosophical paradigms is how to connect jobs with rooftops. The problems that exist here are not unique. We need to deal with the need for infrastructure to help meet the need for housing. We don’t have a home price crisis, we have a supply crisis. The Chamber is asking the Board to be as creative as possible, and take advantage of redevelopment, revitalization, and reorganization opportunities. We
do not need to rip up farms to create land for housing. Chula Vista and La Mesa provide good examples of ways to create more housing.

Jim Schmidt, a member of the public, distributed a handout containing various statistics, letters, editorials, and a pamphlet entitled New Homes and Poor People. He pointed out that we have the same problem today that we had a number of years ago. He said that new housing does not cause growth. We need to increase the housing supply by planning for and building more homes.

Board Member Comments:

Supervisor Slater-Price said that she has discussed this issue with County staff, and it is her understanding that ten cities agreed with Alternative 1 with the modification. She agreed that we need to have a reality check on what can be done. It is nice to have a vision, but we have to make it work. Building more housing doesn’t lead to low prices, and density does not automatically increase affordability; it just creates more high-priced units. Alternative 1 seems to be the most realistic approach.

Chair Cafagna clarified that the only thing we have to do is show there is land zoned for the RHNA numbers. Carlsbad and Poway have a problem in that they cannot show that land is available.

Supervisor Slater-Price asked if Poway could produce land for Alternative 1. Chair Cafagna replied that Poway can live with Alternative 1 with the proposed modification.

Mayor Pro Tem Hall stated that Carlsbad could live with Alternative 1 but they need more time to create the appropriate zoning, and he didn’t see that happening in one cycle. He noted that other councils of government and the state do not constrain themselves with one cycle. Ms. Baldwin stated that ABAG and SCAG came up with less aggressive overconcentration adjustment methodologies for that next cycle that were accepted by HCD.

Ms. Baldwin noted that it was her understanding of state law that if a jurisdiction cannot identify the sites in its housing element it will have to indicate how it will create the sites during the cycle through rezoning and changes to its General Plan. Dennis Turner stated that jurisdictions must also provide infrastructure in addition to zoning.

Bob Leiter, Director of Land Use and Transportation Planning, stated that a jurisdiction needs to show it can plan for the infrastructure and process the rezoning within the five-year housing element cycle.

Mayor Steve Padilla (Chula Vista) stated that the goal is to bring true balance, support land use planning that encourages housing opportunities, and supply a percentage of low and moderate income units. In a community that has a high level of low income housing, the burden should be less, and in a community with a lesser amount of low income housing, the percentage should be greater. That is the right public policy. We have a housing crisis in this region and it has a huge economic impact. This region should be aggressive in providing this housing balance. The ABAG and SCAG methodologies look static or regressive.
Councilmember Phil Monroe (Coronado) asked about the negotiations between jurisdictions to transfer units. Ms. Baldwin responded that all of the income methodologies include an adjustment between the City of San Diego and County of San Diego where the City is taking a share of the unincorporated area’s lower income units and the County is taking an equal share of the City’s above moderate income units. Poway and National City are discussing a similar transfer.

Chair Cafagna added that in both cases, it doesn’t make sense to put high density housing in unincorporated areas where there is no infrastructure. National City is going to be building more units than it is being allocated. The region will not get credit for those units. Poway has been allocated more units than it has land for, which means that the units won’t be built. He said that we should look for a way to make adjustments to satisfy the need and not impose something on communities that they are not able to do. We should allow communities to make adjustments during the cycle by thinking regionally and in conjunction with smart growth concepts.

Vice Mayor Ron Morrison (National City) stated that National City is looking at density in the downtown area and incorporating smart growth ideas. Two-thirds of the city is in the redevelopment zone; there is no bare ground. The problem with housing is that it doesn’t bring in enough money to pay for infrastructure services, and redevelopment money cannot go to pay for those services. We are looking at service level thresholds. He agreed that we ought to be aggressive. The RHNA numbers do not meet the region’s housing needs. He stated that Alternative 1 with the modification makes a lot of sense. We need to set these housing goals for the sake of our children.

Deputy Mayor Christy Guerin (Encinitas) said that we cannot make up our housing deficit in one housing cycle, and Alternative 3 is unrealistic. Alternative 1 with the modification makes sense. The City of Encinitas feels that it could work with this alternative. It is discouraging to use a goal that is unattainable.

Mayor Lori Holt Pfeiler (Escondido) agreed with Mayor Padilla’s comments. In the RCP workshops there was a recognition that the planning and housing of the future is not the same that has been built in the last 20 years. She asked for clarification about Alternative 1 regarding income distribution and the relationship of the RHNA numbers to the total housing stock. Ms. Baldwin said that Alternative 1 would apply the regional percentage of lower income households to each jurisdiction’s RHNA goals, and that the RHNA numbers are addressing only the incremental increase in units during the next housing element cycle.

Mayor Holt Pfeiler pointed out that planning for incremental growth does not take care of the past housing deficit.

Mayor Joe Kellejian (Solana Beach) supported Alternative 1 with the modification.

Councilmember Jim Madaffer (City of San Diego) said that state law requires the allocation methodology seek to reduce the concentration of lower income households in jurisdictions that already have a higher share of lower income households than the region as a whole. He asked about the consequence of that requirement. Ms. Baldwin replied that state law requires that when we do the income allocation this issue be addressed in some way. The alternatives are different ways of addressing that situation. Mr. Leiter added that we
reviewed Alternatives 1, 2, and 3 at the state level and all three alternatives meet that requirement.

Councilmember Madaffer asked if there was a requirement that these units be built or if this is a standard. Ms. Baldwin clarified that state law requires jurisdictions to identify sites that are zoned to allow the development of the number of housing units assigned; it does not require that these units be built during this cycle.

Chair Cafagna stated that we should build the number of units allocated to us.

Councilmember Madaffer pointed out that 20 percent of downtown San Diego development is dedicated to the low income category. Redevelopment and incentives are key to being able to do this. We need to make tough decisions as a region and agrees with the points made by Mayor Padilla and Mayor Holt Pfeiler. He asked about a blend between Alternative 3 and Modified Alternative 1. Ms. Baldwin stated that Alternative 2 is the mid-point between Alternatives 1 and 3. Mr. Leiter added that Alternative 1 received the most support from the planning directors.

Councilmember Madaffer asked Ms. Goldberg if Modified Alternative 1 would be satisfactory to the City of San Diego. Ms. Goldberg responded that many of the planning directors selected Alternative 3 based on the fact that the SANDAG Board of Directors had adopted that alternative in the last cycle and that it was fairer to the lower income jurisdictions. They did not believe we should be moving backwards. Some jurisdictions like Carlsbad, however, indicated that it would be difficult to identify adequate zoning to meet the lower income objectives of all three SANDAG alternatives. Though there does appear to be room for compromise, none of the alternatives received a consensus. She likes the more aggressive approach to deal with the issue.

Councilmember Madaffer commented that there have been discussions about the possibility of these alternatives being tied to a recipient basis for funding. Ms. Goldberg said she has heard from the state about the possibility of tying transportation dollars and limited resources to smart growth to help meet the state’s housing objectives.

Councilmember Madaffer asked if cities who can take in more low income housing will be rewarded. Mr. Leiter said that if the League of California Cities and the Governor’s Office agreed to link transportation and housing funding, we are well positioned because of our RCP and local Smart Growth Incentive Program to implement that kind of state program at a regional level. We wouldn’t expect jurisdictions to be willing to increase affordable housing today based on the potential for such changes.

Mayor Padilla echoed Mr. Madaffer’s comments, and agreed that perhaps we should be more aggressive. We should worry less about jurisdictional comfort zones and more about what is right for the region. We need to move in a more balanced direction and in a way that comes closer to meeting the region’s goals. We should set the goal higher to get us closer to achieving our goals.

Supervisor Slater-Price said that the County could support Modified Alternative 1, but is not in a position to meet the numbers in Alternative 3. We should look at not just density but the kind of density that should be rewarded in our incentive programs. As we look at the
transportation, housing, and jobs link we will go in the right direction. She reiterated that ten planning directors supported Modified Alternative 1.

Chair Cafagna commented that we should have a provision to allow jurisdictions to build more affordable housing if they can, and then start looking at the next cycle.

Mayor Pro Tem Patricia McCoy (Imperial Beach) expressed disappointment that the underpinnings of sustainability are not mentioned. She would like to see more emphasis given to sustainability. She could support the Modified Alternative 1.

Mayor Madrid said that whatever approach we take we should be aggressive with the state about retention of local land use control. He referenced the comments by Senate Pro Tem Don Perata regarding the potential removal of local land use authority, and noted that we don’t need the state to tell us what to do. Mayor Madrid reminded the Board that he sits on the Board of the League of California Cities.

Councilmember Hal Ryan (Santee) cautioned against continuing to adjust the standard for housing. He said that if we are not going to be proactive about rezoning for housing, someone else will. We need to make sure that we are prudent and do what we can to accommodate the region’s housing needs. The City of Santee is comfortable with Alternative 1 with the modification. Councilmember Ryan also stated that we should not let our housing element self-certification program slip away.

Councilmember Ryan asked if self-certification is still an option. Ms. Baldwin said that jurisdictions have the ability to self-certify their next housing elements based on performance during the current housing element cycle. Legislation would be needed to allow jurisdictions to self-certify their 2010-2015 housing elements. The self-certification issue is being discussed on a statewide basis, and given the meetings in which SANDAG has participated, staff believes that extending or amending our program would be difficult.

Chair Cafagna asked if we are the only region with the self-certification option. Ms. Baldwin replied affirmatively.

Councilmember Ryan commented that we want to keep our self-certification process. Santee has to take on higher density housing in return for the multimillion dollar projects, such as the trolley line, located in our area. The federal government will want to see that its funds are being used efficiently and effectively.

Councilmember Judy Ritter (Vista) said that the income component of the draft RHNA is not just tied to transportation dollars, but to other services as well. Lower income households need more services than higher income households. We also need places for our service workers to live.

Deputy Mayor Guerin agreed that we need to send a signal to the state. She noted that smart growth incentives can be seen as either a carrot or a stick and that some higher cost jurisdictions may walk away from the carrot. We need to provide a high quality environment for our citizens. She supported a new smart growth incentive in TransNet, but it is not just quantity but quality as well. For some jurisdictions Modified Alternative 1 is aggressive. We cannot socially engineer the low income housing market. Building more
housing won’t lower its cost. Many of her law enforcement friends live in Temecula. That’s not a good thing or a bad thing, it’s just a fact.

Councilmember Monroe applauded the proposed modification of Alternative 1 as being reflective of good decision-making theory.

Councilmember Madaffer said he was leaning toward Alternative 3. He expressed concern about perpetuating the status quo and questioned what kind of incentives exist for him to support Modified Alternative 1. What does a city get in exchange for Poway saying that it can’t rezone.

Deputy Mayor Guerin questioned what the incentive is for Alternative 3.

Chair Cafagna said that the idea is to build the units and continue to work together to increase that in the future. We should not agree to something we cannot do.

Councilmember Dave Druker (Del Mar) asked when the SANDAG Board would make a decision on this matter. Chair Cafagna replied that action will be taken at the February 25 Board meeting.

Councilmember Druker commented that we need to start working today on the rule changes for the next five-year cycle. The number of units is not achievable. We need to be able to have the state approve the ability to move and allocate units on a regional basis. Mr. Gallegos stated that there is nothing legally that precludes transfers today. In the next cycle, we should come back and look at subregional numbers as a place to start.

Mayor Mark Lewis (El Cajon) expressed support for Alternative 3. He noted that even if you fail to attain that number, we’ll be farther along than we would be with a lower alternative. He is concerned about the price of housing, and the minimum wage workers dogging the roads. He could support either Modified Alternative 1 or Alternative 3.

Deputy Mayor Guerin pointed out that we are trying to meet our goal of 107,000 housing units. If we reach a consensus on one of the alternatives we will still be meeting our affordable housing goals.

Vice Mayor Pia Harris-Ebert (San Marcos) stated that the differences between alternatives are not significant for San Marcos. We are being very aggressive in building affordable housing, and all jurisdictions need to do their fair share.

Chair Cafagna asked for a show of hands from those cities that believe they can support Modified Alternative 1; 12 hands were raised in favor of this alternative.

Mr. Gallegos asked which members could support Alternative 3; nine hands were raised.

Councilmember Madaffer asked if there was a compromise between Modified Alternative 1 and Alternative 3.

Action: This report was presented for information.
3. PLAN TO END CHRONIC HOMLESSNESS IN THE SAN DIEGO REGION (INFORMATION)

Fred Baranowski, President and Chief Executive Officer (CEO) of United Way, stated that they have raised $25 million annually for homelessness in San Diego. They are developing a plan to end chronic homelessness in the San Diego area. San Diego is one of 100 cities around the United State to put together such a plan. Chronic homelessness, which represents 10 percent of the homelessness in San Diego County, results from mental illness and alcohol and drug problems.

He noted that 14 individuals were tracked across the City of San Diego and the County and it was determined that $4 million was spent on these individuals. If we put 10 percent of that money into housing for those people, that would reduce the numbers of homelessness. He stated that federal Housing and Urban Development (HUD) funds will flow to those cities with plans in place. A leadership council has been formed to develop this plan. They want to learn from other areas, and the goal is to build more supportive housing. He asked for the assistance of areawide elected officials in helping them to draft this plan.

Mr. Baranowski said that this plan will include data analysis, prevention strategies, and creative housing alternatives. We need to end homelessness, not manage it in the future. We have until June 30 to get the plan in place then go to the City of San Diego and County for approval. The United Way will take a role in implementing the plan and will help mobilize plan implementation.

Councilmember Monroe stated that if someone is on drugs they are not eligible for some programs. Mr. Baranowski agreed that we need to take care of the people who need the most help. We need to break the cycle, and key to that is the case worker. They will keep the Board posted on their efforts.

Mayor Lewis pointed out that we need to look at some of the laws that need to be changed. The homeless problem is larger than just providing adequate housing.

Mayor Holt Pfeiler commented that homelessness should not be criminalized; we have to acknowledge the problem and come up with a regional solution.

Action: The report was presented for information.

4. UPCOMING MEETINGS

The next Board of Directors business meeting is scheduled for Friday, January 28, 2005. The Policy meeting for February has been cancelled in lieu of the SANDAG Board Retreat.
5. ADJOURNMENT

The meeting was adjourned at 11:40 a.m.

GARY L. GALLEGOS
Secretary

DGunn/M/DGU
**ATTENDANCE**  
**SANDAG POLICY BOARD OF DIRECTORS’ MEETING**  
**JANUARY 14, 2005**

<table>
<thead>
<tr>
<th>JURISDICTION/ORGANIZATION</th>
<th>NAME</th>
<th>ATTENDING</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Carlsbad</td>
<td>Matt Hall (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Chula Vista</td>
<td>Steve Padilla (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Coronado</td>
<td>Phil Monroe (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Del Mar</td>
<td>David Druker (Alternate)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of El Cajon</td>
<td>Mark Lewis (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Imperial Beach</td>
<td>Patricia McCoy (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of La Mesa</td>
<td>Art Madrid (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Lemon Grove</td>
<td>Jerry Jones (Alternate)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of National City</td>
<td>Ron Morrison (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Oceanside</td>
<td>Jack Feller (Member)</td>
<td>No</td>
<td></td>
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<tr>
<td>City of Poway</td>
<td>Mickey Cafagna, Chair (Member)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>City of San Diego - A</td>
<td>Jim Madaffer (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of San Diego - B</td>
<td>Scott Peters (Member)</td>
<td>No</td>
<td></td>
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<tr>
<td>City of San Marcos</td>
<td>Pia Harris-Ebert (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Santee</td>
<td>Hal Ryan (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Solana Beach</td>
<td>Joe Kellejian (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>City of Vista</td>
<td>Judy Ritter (Alternate)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>County of San Diego</td>
<td>Pam Slater-Price (Member)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caltrans</td>
<td>Bill Figge (Alternate)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>MTDB</td>
<td>Leon Williams (Member)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>NCTD</td>
<td>Judy Ritter (Member)</td>
<td>No</td>
<td>She attended on behalf of Vista</td>
</tr>
<tr>
<td>Imperial County</td>
<td>Victor Carrillo (Member)</td>
<td>No</td>
<td></td>
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<tr>
<td>US Dept. of Defense</td>
<td>CAPT Daniel King (Member)</td>
<td>No</td>
<td></td>
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<tr>
<td>SD Unified Port District</td>
<td>Michael Bixler (Alternate)</td>
<td>No</td>
<td></td>
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<tr>
<td>SD County Water Auth.</td>
<td>Marilyn Dailey (Member)</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Baja California/Mexico</td>
<td>Luis Cabrera Cuaron (Member)</td>
<td>No</td>
<td></td>
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</tbody>
</table>
CUMULATIVE NUMBER/PERCENTAGE OF LOWER INCOME HOUSEHOLDS UNDER RHNA ALTERNATIVES 1, 2, 3, AND MODIFIED 1

The following table combines the existing lower income households (1999 baseline) with new lower income units proposed under the RHNA alternatives for several cities, to determine the cumulative number and percent of lower income households. The alternative with the largest percent change towards the 1999 regional average of 39.6% indicates the most progress towards meeting the goal of reducing over-concentration of lower income households.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>1999 Lower Income HH (%)</th>
<th>Alt. 1 HH (%)</th>
<th>Alt. 2 HH (%)</th>
<th>Alt. 3 HH (%)</th>
<th>Mod. Alt. 1 HH (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chula Vista</td>
<td>24,000 (41.7%)</td>
<td>30,821 (41.1%)</td>
<td>30,571 (40.8%)</td>
<td>30,322 (40.5%)</td>
<td>30,821 (41.1%)</td>
</tr>
<tr>
<td>Escondido</td>
<td>19,222 (43.8%)</td>
<td>20,187 (43.6%)</td>
<td>20,127 (43.5%)</td>
<td>20,067 (43.3%)</td>
<td>20,187 (43.6%)</td>
</tr>
<tr>
<td>National City</td>
<td>9,259 (61.2%)</td>
<td>9,385 (60.7%)</td>
<td>9,351 (60.5%)</td>
<td>9,316 (60.2%)</td>
<td>9,316 (60.2%)</td>
</tr>
<tr>
<td>S. D. Region</td>
<td>388,927 (39.6%)</td>
<td>`431,419 (39.6%)</td>
<td>431,419 (39.6%)</td>
<td>431,419 (39.6%)</td>
<td>431,418 (39.6%)</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>8,346 (26.5%)</td>
<td>11,663 (29.3%)</td>
<td>12,165 (30.6%)</td>
<td>12,668 (31.8%)</td>
<td>11,728 (29.5%)</td>
</tr>
<tr>
<td>Encinitas</td>
<td>6,200 (27.0%)</td>
<td>6,878 (27.9%)</td>
<td>6,976 (28.3%)</td>
<td>7,075 (28.7%)</td>
<td>6,891 (27.9%)</td>
</tr>
<tr>
<td>Poway</td>
<td>3,296 (21.1%)</td>
<td>3,788 (22.5%)</td>
<td>3,895 (23.1%)</td>
<td>4,003 (23.8%)</td>
<td>3,890 (22.6%)</td>
</tr>
</tbody>
</table>

METHODOLOGY

1. Determine the number of total households, including Regional Share:
   Existing HH* plus RHNA units equals Total HH
   Example (Escondido):
   43,869 HH plus 2,437 HH = 46,306 HH

2. Determine the number of existing Lower Income Households
   Total Low and Very Low income HHs*
   Example (Escondido):
   10,739 VLHH plus 8,438 LHH equals 19,222 Lower Income HH

3. Determine cumulative ("blended") percent of lower income households, based on Regional Share:
   Total Lower Income HH (Existing + RHNA Alt.) = Cumulative % Lower Income
   Total HH (Existing plus RHNA Alternative)
   Example (Escondido): Alternative 1
   19,222 (Existing Lower Income HH) + 965 (Alt. 1 Lower Income HH)
   20,187 (Total Lower Income HH)
   20,187 divided by 46,306 = 43.6%

* Source: 2000 Census DP-3, downloaded by SANDAG, worked by HCD
January 6, 2005

Mr. Robert Leiter
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Subject: Draft Regional Housing Needs Assessment (RHNA) regional share numbers

Dear Mr. Leiter:

The purpose of this letter is to provide comment on the Draft Regional Housing Needs Assessment (RHNA), which distributes the San Diego region’s 2003-2010 projected housing need to the individual cities and unincorporated area.

The City of Encinitas has participated in the RHNA process through the Regional Housing Needs Working Group, the Regional Planning Technical Working Group and the Regional Housing Task Force. Throughout, we have concurred with the proposed methodology (Methodology “C”) to distribute overall numbers to individual jurisdictions according to SANDAG’s growth forecast, plus an allocation based on projected employment. However, the City of Encinitas continues to express concern about the proposed methodology for allocating each jurisdiction’s share to various income categories.

Region-wide, some forty percent of all households are defined as lower income. The “Alternative 3” methodology proposes to assign housing numbers for low and very low income groups in inverse proportion to each jurisdiction’s variance from the regional average. That is, the lesser a jurisdiction’s proportion of lower households is relative to the regional average, the greater is its allocation of low and very low income housing units. The result is a distribution scheme whereby a jurisdiction’s proportion of lower income housing is as low as 18% of its total allocation or as high as 58%. This methodology would allocate some 52% of Encinitas’ regional share of 1,712 units to the low and very low income categories.

The City of Encinitas does not believe Alternative 3 is a realistic approach to accomplishing regional housing needs and that other alternatives need to be explored and discussed. Alternative approaches used by other COG’s, for example, could be utilized as a basis for discussing other options. The City of Carlsbad has done some initial research on this issue.
The City of Encinitas would support the discussion of these and other options that present a realistic approach to meeting the region’s housing needs.

The City of Encinitas will continue to work with SANDAG and member agencies for an alternative that best accomplishes the regions housing goals.

Sincerely,

Patrick S. Murphy
Planning & Building Director

cc: City Council
    Kerry L. Miller, City Manager
    Dave de Cordova, Principal Planner
    David Harris, Housing Coordinator
    Dennis Turner, City of Carlsbad
January 5, 2005

San Diego Association of Governments
Bob Leiter, Director of Transportation and Land Use
401 B Street
San Diego, CA 92101-4321

SUBJECT: REVISING THE DRAFT RHNA LOWER-INCOME IMPACTION FACTOR

On behalf of the City of Carlsbad, I hereby request that SANDAG reconsider the formulas that resulted in the draft RHNA numbers, which numbers are now out for formal review. Specifically, Carlsbad requests that the region adopt a lower-income impaction adjustment that differs from the one used to produce the draft numbers and substitute a methodology that has been used by either ABAG or SCAG.

We have recently learned that the impaction adjustment that SANDAG has used is radically different in philosophy and effect from the approaches used throughout the state by other California Councils of Government over several housing element cycles. We feel that SANDAG should use a methodology that is in keeping with accepted practice in California.

The SANDAG method results in lower-income needs numbers that, for many jurisdictions, are excessive and probably impossible to implement in the jurisdiction’s land inventory, even where the jurisdiction is considering significant land use changes. It requires jurisdictions to make up in a single housing cycle deficiencies that have often developed over decades. In doing so, it ignores historical and current market demand, one of the principal factors that housing law requires be considered in developing RHNA numbers. The result is that a number of SANDAG jurisdictions have draft RHNA numbers that call for more than 50% of their remaining residential land capacity to be set aside for high density development. For suburban jurisdictions that have historically developed with suburban densities this is a call for extraordinary change. In Carlsbad, where we are rapidly running out of land and over 50% of our remaining vacant land is entitled by master plans, master tentative maps, and specific plans for suburban density development, we are severely limited in what we can up-zone or convert from non-residential to higher density residential land. Even with the several major land use changes we think we can bring about, we cannot, in one giant step, create a land inventory in keeping with what the draft RHNA numbers would require.

In contrast, the methodologies used by the Association of Bay Area Governments (ABAG), the Southern California Association of Governments (SCAG), and the Sacramento Area Council of Governments (SACOG) all use a different philosophy and result in impaction adjustments that are much more moderated, and, therefore reasonable and achievable. While the methodologies used by these COGs differ somewhat in their specific calculations, all recognize historical market demands and assume that jurisdictions that vary from the regional lower-income averages should
make moderate adjustments over a much longer period of time (30 years in the case of SACOG) to move towards that regional average. Consequently, the numerical adjustments are reasonable and achievable.

Importantly, we wish you to know that the California Department of Housing and Community Development (HCD) has accepted all of these other methodologies over a number of housing element cycles and certified housing elements that have used RHNA numbers derived from these methodologies.

The SACOG methodology is mathematically robust and sophisticated and depends upon collecting a significant amount of localized data. In contrast, the methodologies used by ABAG and SCAG are mathematically simple, easy to understand, and very similar.

Carlsbad requests that SANDAG replace its current methodology and adopt either of these two latter methodologies. Revised RHNA numbers could be produced very quickly using either methodology, resulting in no delay to the review process.

I have provided additional information as attachments to this letter. First, a two-page memo from our housing consultant, Cotton/Bridges/Associates, summarizes the methodologies of the three other COGs. Second, I have prepared a table that compares the results of using the SANDAG, ABAG, and SCAG methodologies to generate lower-income RHNA numbers for each SANDAG jurisdiction. The effects of our request can be immediately seen.

We would respectfully request that this matter be placed before the Regional Planning Working Group at its next meeting for that group’s consideration.

If you have any questions please contact me at (760) 602-4609 or at dtturn@ci.carlsbad.ca.us.

Sincerely,

DENNIS A. TURNER
Principal Planner

Attachments:

Memo from Cotton/Bridges/Assoc.
Table Comparing Lower-Income Impaction Correction Factors, by COG

C: Sandy Holder
   Jane Mobaldi
   Don Neu
   Mike Grim
   Debbie Fountain
   Susan Baldwin - SANDAG
December 17, 2004

To: Dennis Turner and Scott Donnell  
City of Carlsbad

From: Veronica Tam  
Cotton/Bridges/Associates

Subject: Methodologies for RHNA Impaction Correction

Pursuant to State law, each Council of Governments (COG) is responsible for distributing its share of state housing growth to jurisdictions within its region. State law further calls for each COG to allocate future housing needs for each jurisdiction in a manner as to reduce the concentration of low income households. This memo summarizes the Impaction correction methodologies used by the Southern California Association of Governments (SCAG), Association of Bay Area Governments (ABAG), and Sacramento Area Council of Governments (SACOG).

SCAG - 1998-2005 Regional Housing Needs Plan
SCAG has developed a faire share adjustment that takes into account a community’s current share of lower income households. Communities are grouped into three categories and a different adjustment is applied depending on how their share of lower income households compares with the region.

<table>
<thead>
<tr>
<th>Impaction</th>
<th>Definition</th>
<th>Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Share of lower income households is 10 percentage points less than the regional average</td>
<td>New construction targets move ½ of the way toward the regional average</td>
</tr>
<tr>
<td>Average</td>
<td>Share of lower income households is within 10 percentage points of the regional average</td>
<td>New construction targets move ¼ of the way toward the regional average</td>
</tr>
<tr>
<td>High</td>
<td>Share of lower income households is 10 percentage points above the regional average</td>
<td>New construction targets move ¾ of the way toward the regional average</td>
</tr>
</tbody>
</table>

ABAG - 1999-2006 Regional Housing Needs Plan
ABAG’s methodology accomplishes this by shifting each jurisdiction’s income distribution as determined by the 1990 Census 50 percent towards the regional average. The distance of each jurisdiction’s existing income percentage from the regional average will determine the amount of adjustment applied.

SACOG - 2000-2007 Regional Housing Needs Plan
The RHNP establishes a minimum floor for each of the four household income categories of not less than 4 percent of each jurisdiction’s total 2000 - 2007 projected housing unit development. In addition, the RHNP establishes a maximum ceiling of not more than 30 percent of each jurisdiction’s total 2000 - 2007 projected housing unit development in the very-low and low income categories.

The allocation methodology derives future goals for each community based on SACOG’s objective of achieving the housing market area average by income category in each jurisdiction between 1990 and 2020. The extent of the adjustment depends on
how much the jurisdiction’s base-year (1990) income distribution differs from the market area average.

Jurisdictions having a high percentage of low income housing in 1990 are allocated a declining percentage of low income households through 2020 while jurisdictions having a low percentage of low income housing in 1990 are allocated a rising percentage through 2020, at which time all jurisdictions, theoretically, would have the same percentages in all income categories.

**Carlsbad RHNA**

Based on the draft RHNA, Carlsbad is allocated a future growth need of 8,353 units at the following income distribution:

- Very Low Income - 30 percent
- Low Income - 22 percent
- Moderate Income - 21 percent
- Above Moderate - 27 percent

If SANDAG employs either the SCAG or ABAG methodology for impaction correction, Carlsbad’s lower income share of RHNA is 32.3% (17.3% very low income units and 15.0% low income units)

<table>
<thead>
<tr>
<th>Proportion of Lower Income (based on 2003 CHAS)</th>
<th>SCAG</th>
<th>ABAG</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 10 percentage points below region - ½ way toward region</td>
<td>Less than regional average - ½ way toward region</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>12.7%</td>
<td>17.3%</td>
</tr>
<tr>
<td>San Diego County</td>
<td>21.9%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Very Low Income</td>
<td>12.4%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Low Income</td>
<td>17.5%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Total</td>
<td>25.1%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Total</td>
<td>39.4%</td>
<td>32.3%</td>
</tr>
</tbody>
</table>
Ms. Susan Baldwin, Senior Regional Planner
SANDAG
401 B Street, Suite 800
San Diego, CA 92101

RE: Regional Housing Needs Assessment

Dear Ms. Baldwin:

First, let me thank you for working so hard to allocate housing needs in an equitable manner throughout our county. This is a very difficult task in light of the State’s increasing housing needs, the desire of local governments to control land uses within their jurisdictions, and high housing costs which have decreased people’s ability to afford homes.

Though Imperial Beach is built out and has had very little new housing constructed in the last five years, we believe the allocation of 87 or 88 units over the next five years is a difficult but reasonable target. Please keep in mind that we have almost no vacant sites, but we will do our best by using our redevelopment funds and other means to encourage housing production. Also, about 75% of our housing units are rentals and we would like to encourage homeownership, but this is very difficult to do at lower income levels.

We are aware that other cities view the allocations as unrealistic and may want to use different methods to allocate units. While we are open to further discussion about this matter, we do not favor radical changes to the allocations that could add low-mod units to cities with predominantly lower income populations. Placing more units in lower income communities increases demands for certain services and fiscal resources. A city like ours cannot sustain these effects over the long-term.

The above brings to mind the need for fiscal reforms at the state and local levels in order for all cities to prosper and better serve our citizens. Wouldn’t it be an improvement if cities did not need to offer incentives to increase their sales tax bases? Would land uses be more rational if they could be devoted to housing, generators of higher paying jobs and growth industries regardless of sales tax potential? Are there ways to distribute revenues on a basis other than point of purchase? I realize this is a complex topic, but the allocation of housing units raises
questions that are symptomatic of fiscal disparities and needed reforms. Our City would be happy to work with SANDAG and the League of California Cities on such reforms.

Since some cities strongly object to the draft allocations, we suggest that there may be inter-city or multi-city approaches that may be explored in allocating them. Both potential homebuyers and builders alike can easily cross-jurisdictional boundaries. We should devise a system that is flexible enough to meet these demands and achieve the region’s total goal.

In conclusion, we write this letter believing that the deadline for comments on the draft RHNA is December 31, 2004. If this deadline is extended, we reserve the option of sending you additional comments.

Sincerely,

Diane Rose

Cc: Catherine Hill
STATUS REPORT AND RECOMMENDATIONS FROM THE ENERGY WORKING GROUP

Introduction

SANDAG formed the Energy Working Group (EWG) in December 2003 for the purpose of implementing the San Diego Regional Energy Strategy adopted by the Board in July 2003. The EWG has been meeting since March 2004 and has developed a work plan to focus on the issues that will be addressed by the EWG. The EWG has also created a budget to accomplish the tasks identified in the work plan.

The EWG is co-chaired by Mayor Art Madrid, City of La Mesa, and Councilmember Henry Abarbanel, City of Del Mar. The EWG has representation of an elected official from Inland North County, Coastal North County, East County, and South County, as well as the City of San Diego. The County of San Diego has not yet appointed a representative to the EWG. In addition, the membership represents business, labor, environmental, consumer, and educational interests, the Department of Defense, and San Diego Gas & Electric (SDG&E) Company.

Over the past several months the EWG has recommended positions to be taken on several regulatory issues being considered by the California Public Utilities Commission (CPUC). These recommendations have been presented to the SANDAG Board and, where possible, the Regional Planning Committee. In following this established procedure, many schedule conflicts have arisen due to the often short comment periods established by the CPUC for participation.

Recommendation

It is the recommendation of the EWG that the Regional Planning Committee, subject to approval by the SANDAG Board, support the work program and proposed approach to funding the EWG, and support the proposed strategy for expedited review of EWG comments on regulatory issues through the Executive Committee as discussed later in the report.

Discussion

EWG Workplan and Schedule

The EWG has identified the preparation of the 2006 Long-Term Resource Plan (LTRP) as its top priority over the next 18 months (Attachment 1). The CPUC requires the preparation and submittal of an LTRP by each of the State’s investor-owned utilities, including SDG&E as the San Diego
region’s provider, every two years. An LTRP is a document that identifies the energy resource needs and the approach to meet those needs over a 10-year period. Typically, the LTRP is prepared by SDG&E with little input from the region’s stakeholders. The EWG seeks to conduct a community-based energy planning process in cooperation with SDG&E and, while SDG&E will still be responsible for submitting the plan to the CPUC and has the legal responsibility for fulfilling the plan, the region’s stakeholders will participate in its preparation and its presentation along with SDG&E to the CPUC.

In December 2004, the EWG notified each local jurisdiction of a pilot energy efficiency program, which will commence in the spring of 2005 and provide the selected agency with engineering expertise, grant-finding experience, and implementation assistance needed for energy efficiency programs in their municipal or local government. The CPUC has identified energy efficiency as its highest priority for energy savings.

In addition to the LTRP and programs such as energy efficiency efforts, the EWG plans to track relevant regulatory issues that impact energy policy and ratepayers in the region. As part of the CPUC regulatory process, the EWG will discuss issues, formulate positions, and prepare recommendations to be considered by the SANDAG Board. A process to make timely recommendation to the CPUC is discussed below.

Budget and Funding the EWG

The EWG has prepared a budget to meet the mid-term needs outlined in the work plan. The approximate cost to hold public and technical workshops and evaluate components of the plan is $450,000 over a period of 18 months. The EWG recommends seeking these funds from the following three sources:

- state and federal agencies
- local stakeholders
- SDG&E

The EWG has prepared a funding proposal that outlines the funding request, purpose and need, goals, tasks, budget, and schedule, and intends to submit an unsolicited grant request to the California Energy Commission as well as the CPUC. In addition, SANDAG staff and EWG members intend to pursue funding from various local stakeholders, in addition to SDG&E. While this level of funding would satisfy the mid-term tasks, the EWG needs to identify a long-term, permanent funding source to sustain this work element at SANDAG.

Reporting to SANDAG

The EWG is an advisory working group that makes recommendations to the Regional Planning Committee, which reports to the Board. While this reporting structure provides opportunities for the EWG to discuss issues and formulate recommendations, it does not always enable SANDAG to participate in issues at the CPUC that have limited comment periods and short deadlines. The EWG
recommends that certain regulatory issues at the CPUC that require a timely response be directed to SANDAG’s Executive Committee for review. This would make the EWG more effective and able to participate in those regulatory proceedings at the CPUC that impact the San Diego region.

BOB LEITER
Director of Land Use and Transportation Planning

Attachment

Key Staff Contact: Rob Rundle, (619) 699-6949; rru@sandag.org
## Proposed EWG Workplan and Schedule

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<td>1.4 Develop detailed participatory process plan</td>
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<td>4. Evaluate EWG progress</td>
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<td>4.1 Assess EWG Progress in three main tasks</td>
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