July 28, 2011

Susan Baldwin, Senior Regional Planner
SANDAG
401 B Street Suite 800
San Diego, California 92101

Dear Ms Baldwin,

Thank you for the opportunity to comment on the Draft Regional Housing Needs Assessment (RHNA) methodology and allocation that is currently under consideration by the SANDAG Board of Directors. As you know, Mayor Cox as Chula Vista’s representative on the SANDAG Board initially supported Option 3d.

Ultimately, in support of regional cooperation Mayor Cox voted for option 2b; however we believe that the RHNA allocation as proposed in option 2b raises equity issues in the region. We believe that Option 2b burdens those jurisdictions that have added additional capacity in their General Plans to provide for their fair share of housing at higher densities to accommodate more than their share of lower income households. As proposed the RHNA allocation does not take into account existing concentrations of lower income persons, as required by Housing Element law. It polarizes affordable housing capacity into a few jurisdictions in the region and does support the balanced provision of Affordable Housing through the entire San Diego region.

Chula Vista agrees that lower-income housing in particular should be focused into urbanized/urbanizing areas close to transit/transportation investments and services. This is consistent with the RCP and RTP. The Board has taken the position that this is best served through Option 2b. The Board should now assist jurisdictions that accept the additional affordable housing allocation in order to make option 2b more viable. Regional transit, infrastructure and service funding considerations should be directed to those areas that will be accommodating the density sufficient to support affordable housing.

We acknowledge that at the July 22 SANDAG Board Meeting the Chair created a subcommittee to review Policy 33 and that Chula Vista’s Mayor has been appointed as the South Bay member of that subcommittee. Chula Vista believes that the updated Policy 33 should be adopted by the SANDAG Board concurrently with the adoption of the RHNA and the RTP (including the SCS). We believe that revisions to Policy 33 should include funding formulas and competitive application scoring criteria to ensure appropriate consideration is given to promoting the
allocation of resources and infrastructure to those smart growth areas where affordable housing is focused under the newly adopted RHNA obligations

Sincerely,

Gary Halbert, P.E., AICP
Assistant City Manager/Development Services Director

Cc: Mayor Cheryl Cox
    Scott Tulloch, Assistant City Manager
    Ed Batchelder, Advanced Planning Manager
    Mandy Mills, Redevelopment & Housing Manager
    Marilyn Ponseggi, Principal Planner
July 20, 2011

Susan Baldwin, Senior Regional Planner
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Re: Draft RHNA Methodology and Allocation

Dear Ms. Baldwin:

Thank you for the opportunity to comment on the Draft Regional Housing Needs Assessment (RHNA) Methodology and Allocation that is currently under consideration by the SANDAG Board of Directors. The City of Escondido has been an active participant in the RHNA process. However, The City of Escondido would like to go on record as firmly opposing the proposed Draft RHNA Methodology and Allocation that assigns Escondido 1,833 Very Low and Low Income Households (Target Households) for the upcoming Housing Element cycle (2013 – 2020). We strongly recommend a more equitable distribution of dwelling units for Target Households based on information contained in this letter.

Escondido understands the importance of planning for housing for all income levels in all jurisdictions, balancing jobs and housing, focusing development in urban areas consistent with Smart Growth principles, and protecting rural areas, open space, and habitat lands. Our history of consecutive Housing Element certifications extends 30 years, to 1981. Escondido contains a significant number of affordable units that are not income restricted. There are currently over 1,630 income-restricted units within the City. Additionally, 292 low and very low income households that are on the Federal Section 8 waiting list receive monthly rental subsidies from the City of Escondido totaling $100 - $125 each. These are only two of the many programs operated by Escondido that demonstrate the city’s commitment for safe, clean and affordable housing.

As you are aware, housing element law contains objectives for preparing the RHNA Plan. Government Code Section 65584(d) provides that the: "regional housing needs allocation plan shall be consistent with all of the following objectives:

RHNA GOVERNMENT CODE OBJECTIVE:
   1) Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in all jurisdictions receiving an allocation of units for low- and very low- income households.

RESPONSE:
During the RHNA process each jurisdiction’s percentage of existing Target Households was identified, and the Regional Average was determined to be 40% (Table 4 from May 27, 2011 SANDAG agenda;
The jurisdictions’ existing percentage of Target Households ranges from 21% (Poway) to 61% (National City). Eleven (11) of the 19 jurisdictions in the region currently have a percentage of Target Households at or below the Regional Average. Escondido’s existing percentage of Target Households is 44%, which exceeds the Regional Average. The Draft RHNA Methodology allocates 1,833 Target Households to Escondido which exceeds the Regional Average by 180 units. Escondido strongly opposes this allocation methodology and firmly believes allocations should equitably distribute Target Households in a manner that more closely aligns each jurisdiction’s percentage of Target Households with the regional average. Under this approach Escondido’s *equitable* Target Household allocation would be 1,653 units.

**RHNA GOVERNMENT CODE OBJECTIVES:**

2) Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources and the encouragement of efficient development patterns.

3) Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared with the most recent decennial United States census.

**RESPONSE:**

Escondido believes there is a socioeconomic equity issue with regard to the proposed allocation of Escondido’s Target Household units in light of the City’s current conditions. The Draft Methodology proportionately allocates fewer Target Household units to more affluent cities that already contain significantly fewer Target Households than the regional average. SANDAG has reported that Escondido maintains the *lowest* median income of all San Diego North County cities ($56,259) based on 2010 Census information. This income level is significantly less than the regional average of $62,771 and only slightly more than one-half of the top-ranked city’s median income. A goal of Escondido’s General Plan Update that is currently underway is to improve the city’s current jobs/housing balance and raise median income levels. While Escondido recognizes the importance of providing opportunities for Target Households, obligating the city to provide *more* than the regional average exacerbates efforts of raising the community’s median income by further amplifying socioeconomic inequity in the community.

**RHNA GOVERNMENT CODE OBJECTIVE:**

4) Promote an improved intraregional relationship between jobs and housing.

**RESPONSE:**

Escondido currently maintains only 3.4% of its land area for employment purposes based on SANDAG 2009 Employment and Residential Land Inventory. This is *less* than the regional average of 3.9% and *significantly less* than all San Diego North County communities which range from 5.1% (Poway) to 22.9% (Carlsbad). This has resulted in a significant out-migration of commuters from Escondido to employment areas in other jurisdictions. The proposed RHNA methodology degrades the intraregional relationship between jobs and housing by allocating a disproportionate share of Target Households to Escondido rather than to jurisdictions that can provide employment opportunities in closer proximity to housing, thus reducing commuting patterns.
Overall, the Draft Methodology appears to reward more affluent jurisdictions that have adopted General Plans with more restrictive land use designations (i.e. less residential capacity) by allocating them a lower number of Target Household units. The RHNA Fact sheet (Page 2 attached) states that the “allocation proposal is based on estimated existing plan capacity, or regional allocation, whichever is lower in jurisdictions where estimated existing plan capacity is exceeded.” Escondido strongly opposes this methodology and feels that jurisdictions should not be allocated fewer units simply because their General Plans do not currently accommodate growth. The State Department of Housing and Community Development does not accept this approach in certifying Housing Elements and will require that agencies amend their General Plan to accommodate additional units. The City is willing to accept up to 1,653 Target Household units, which is consistent with the regional average. However, Escondido should not be required to accommodate more Target Household units than the regional average simply because other jurisdictions’ General Plans currently do not have capacity, or do not choose to amend their General Plan policies to increase capacity.

Thank you for the opportunity to comment on the RHNA Methodology and Allocation. Based on the reasons cited in this letter the City of Escondido strongly urges the SANDAG Board of Directors’ consideration in this matter.

Respectfully Submitted

Sam Abed
Mayor

Attachments: 1) Table 4 “Household by Income and Very Low and Low Income Allocation Percentages for RHNA Options” from 5/27/2011 SANDAG meeting
2) Regional Housing Needs Assessment Fact Sheet (Page 2)

CC: Escondido City Council
Jeffrey Epp, City Attorney
Clay Phillips, City Manager
Charles Grimm, Assistant City Manager
Barbara Redlitz, Director of Community Development
Table 4. Households by Income and Very Low & Low Income Allocation Percentages for RHNA Options
11-Year RHNA (1/1/2010 - 12/31/2020)

<table>
<thead>
<tr>
<th>Households by Income (2000 Census)</th>
<th>Regional Share Option (Table 1c)</th>
<th>Lower Income Capacity Option (Table 2b)</th>
<th>Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)</th>
<th>Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3a)</th>
<th>Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e)</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>27%</td>
<td>40%</td>
<td>32%</td>
<td>36%</td>
<td>47%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>42%</td>
<td>40%</td>
<td>44%</td>
<td>36%</td>
<td>33%</td>
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<tr>
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<td>34%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>25%</td>
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<td>20%</td>
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<tr>
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<td>40%</td>
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<td>44%</td>
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<td>44%</td>
<td>36%</td>
<td>41%</td>
</tr>
<tr>
<td>Imperial Beach</td>
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<td>36%</td>
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<tr>
<td>National City</td>
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<td>Oceanside</td>
<td>40%</td>
<td>40%</td>
<td>44%</td>
<td>30%</td>
<td>29%</td>
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<tr>
<td>Poway</td>
<td>21%</td>
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<td>28%</td>
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<td>San Diego</td>
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<tr>
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<tr>
<td>Santee</td>
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<tr>
<td>Solana Beach</td>
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<td>42%</td>
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<tr>
<td>Vista</td>
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<td>44%</td>
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<tr>
<td>Unincorporated</td>
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<td>Region</td>
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<td>40%</td>
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<td>40%</td>
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</tbody>
</table>

Notes:

(a) Proportion of households in Very Low and Low income categories (Where "Very Low" is defined as less than 50% of regional median household income and "Low" is defined as 50-80% of regional median household income defined by California Dept. of Housing and Community Development).
(b) Percent of Very Low + Low Income Units under the Regional Share Option (Table 1c)
(c) Percent of Very Low + Low Income Units under the Lower Income Capacity Option (Table 2b)
(d) Percent of Very Low + Low Income Units under the Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)
(e) Percent of Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
(f) Percent of Very Low + Low Income Units under the Revised Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)
(g) Percent of Very Low + Low Income Units under the Revised Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3d)

May 27, 2011
Regionwide Distribution of RHNA
Determination by Income Category
January 1, 2010 – December 31, 2020
(RHNA Projection Period)

<table>
<thead>
<tr>
<th>Income Categories</th>
<th>%</th>
<th>units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>22.5%</td>
<td>36,450</td>
</tr>
<tr>
<td>Low</td>
<td>17.1%</td>
<td>27,700</td>
</tr>
<tr>
<td>Moderate</td>
<td>18.9%</td>
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<tr>
<td>Above-Moderate</td>
<td>41.5%</td>
<td>67,220</td>
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<tr>
<td>Total</td>
<td></td>
<td>161,980</td>
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</table>

The development of the Draft RHNA Methodology and Allocation took place over a 12-month period during numerous public meetings conducted by the working groups, Regional Planning Committee, and SANDAG Board of Directors.

To read more about the RHNA and to comment on the Draft RHNA Methodology and Allocation, visit www.sandag.org/rhana. Public comments will be accepted through July 28, 2011.

Draft RHNA Methodology and Allocation*

<table>
<thead>
<tr>
<th>RHNA Allocation by Income Category</th>
<th>Estim. Existing Plan Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-Year RHNA</td>
<td>Very Low</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>4,999</td>
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<tr>
<td>Chula Vista</td>
<td>12,861</td>
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<td>Coronado</td>
<td>50</td>
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<td>Del Mar</td>
<td>61</td>
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<tr>
<td>El Cajon</td>
<td>5,805</td>
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<td>4,175</td>
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<td>La Mesa</td>
<td>1,722</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>309</td>
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<tr>
<td>National City</td>
<td>1,863</td>
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<td>6,210</td>
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<td>Poway</td>
<td>1,253</td>
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<td>36,450</td>
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<tr>
<td>Totals</td>
<td>22.5%</td>
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*Table 2b. Lower Income Capacity Option. This table excerpted from the May 27, 2011 RHNA Board Report.

**Allocation proposal is based on estimated existing plan capacity, or regional allocation, whichever is lower in jurisdictions where estimated existing plan capacity is exceeded.

June 2011
July 6, 2011

SANDAG
401 B Street, Ste. 800
San Diego, CA 92101

Subject: Comments on the Draft RHNA Methodology and Allocation
San Diego Association of Governments

Dear Sirs and Madams:

The City of Lemon Grove appreciates the opportunity to comment on the Draft Regional Housing Needs Assessment (RHNA) Methodology and Allocation distributed for public review. The selection of a RHNA allocation option represents many hours of discussion, debate and collaboration between all of the jurisdictions in the region and stakeholders. The Lemon Grove City Council would like to reiterate some concerns and comments about the allocation and the SANDAG Board’s selected option. The comments communicated in this letter should also extend to the related documents (Regional Transportation Plan, Sustainable Communities Strategy, and Environmental Impact Report).

SB 375 requires SANDAG to integrate the preparation of the RTP with the RHNA and the SCS with the goal of ensuring a mix of housing types and affordability, thus providing workers of all income levels with opportunities to live close to work or utilize transit.

The four RHNA objectives from Housing Element Law are: affordability of housing; infill development and socioeconomic equity; jobs/housing balance; and balanced communities. The City of Lemon Grove does not believe that the current option being circulated for public comment, Option 2b, meets the requirements of SB 375 or the RHNA objectives.

Option 2b raises the following questions:

How does the RHNA allocation outlined in Option 2b affect the Social Equity Goal of the RTP and the socioeconomic goal of Housing Element Law? The communities of concerns (low-income, minority populations, low mobility, low community engagement) are mapped in the RTP and transit improvements are recommended to serve these populations. RHNA Option 2b appears to allocate increased low-income populations (one of the four communities of concern) to areas that already exceed the regional average. Does the Option 2b RHNA allocation increase these disproportionate impacts even more because of the increase in the low-income population? If so, then Option 2b is contrary to RTP policy. How would an incentive policy offset those impacts?

If an incentive policy is to be implemented to offset the impacts of Option 2b for the RHNA allocation formula, then when will that happen? Policy 33 should be under discussion concurrently with the RHNA discussion and not after its adoption. Such a policy that incentivizes a community with a disproportionate community of concern to take more than other communities seems to be contrary to the RTP goals. However, it would be the foundation for giving assurances to those jurisdictions taking more than their “fair share” of very low and low income housing allocations, that there will be funds available to meet the RHNA numbers.
How could Option 2b have been addressed in the RTP/SCS EIR (E-J-2) when Option 2b was selected just prior to the release of a 1,400 page EIR? Would Option 2b require those jurisdictions taking more than their “fair share” to make significant investments to improve the performance measures for those populations (average travel time, job access, access to transit, and access to amenities such as schools, airport, healthcare, parks and beaches)? How will the quality of those amenities such as high performing schools be measured?

The selection of Option 2b provides only a “close” standard to the goals of Housing Element Law in that it “moves the County in the right direction” whereas Option 3c clearly meets all four goals of the Housing Element law and SB 375 as reflected in the RTP and SCS.

The City of Lemon Grove believes that the Regional Housing Needs Assessment must be reconsidered based on the analytical studies conducted by SANDAG staff. Any option that creates inequitable housing distribution fails to meet Housing Element Law and generates flaws in the region’s planning documents.

Thank you again for the opportunity to comment and we look forward to the response to our comments.

Sincerely,

[Signature]
Mary T. Sessom
Mayor

MS/cd
July 27, 2011

Susan Baldwin, Senior Regional Planner
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

RE: Draft RHNA Allocation Method (Option 2b)

Dear Ms. Baldwin:

The City of Oceanside appreciates the opportunity to comment on the Draft Regional Housing Needs Assessment (RHNA) allocation method as accepted for public review by the Regional Board of Directors on May 27, 2011 (Option 2b).

As previously expressed by Planning Division staff in public meetings of the Regional Planning Board (RPC) in April and May of this year, the City of Oceanside has serious concerns about the fairness and legality of the RHNA allocation method distributed for public review. We agree with the City of Escondido and other SANDAG members that have formally opined that the San Diego region cannot move forward with an allocation method that rewards those jurisdictions that have created the most restrictive conditions for affordable housing while penalizing those jurisdictions that have done the most to accommodate it. We believe that such an approach is contrary to state law, manifestly unfair to several jurisdictions, and harmful to the San Diego region’s economic and environmental sustainability.

The City continues to advocate for a more principled and regionally-beneficial allocation method, akin to those options favored by a majority of the planning and housing professionals who comprise the Regional Housing Working Group (RHWG). Convening over a 10-month period, the RHWG worked closely with SANDAG staff to develop allocation options that not only accord with state housing law but also with the San Diego region’s commitment to smart growth, socio-economic balance and environmental sustainability, as expressed in the Regional Comprehensive Plan and carried out through associated policies and programs like the Smart Growth Concept Map, the Climate Action Strategy and the Sustainable Communities Strategy. We remain hopeful that SANDAG’s member jurisdictions will reconsider the extent to which the Board-accepted RHNA allocation method is inconsistent with state and regional planning goals, and, in turn, recommit themselves to a more appropriate approach to distributing the region’s affordable housing obligation.
State Law
In our collective effort to equitably share responsibility for accommodating nearly 162,000 new housing units over the next decade, the nineteen jurisdictions that comprise the San Diego region receive considerable guidance from state law, as outlined in Government Code Section 65584, et. seq. State law is abundantly clear in requiring that councils of governments develop RHNA allocation methods that:

- Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources and the encouragement of efficient development patterns;
- Improve the intraregional relationship between jobs and housing; and
- Alleviate the overconcentration of lower-income households in jurisdictions that already accommodate a disproportionately high share of such households.

Furthermore, state law requires that allocation methods consider “opportunities to maximize the use of public transportation and existing transportation infrastructure” (Govt. Code Section 65584.04(d)(3)). Consistent with this state requirement, the RHWG developed allocation methods that factor in the transit orientation of each jurisdiction (Options 3c and 3d). As indicated by our strong support of Options 3c and 3d, the City of Oceanside finds that adjusting the RHNA allocation method to account for transit orientation (as well as income distribution and jobs-housing balance) is not only in keeping with regional smart growth policies but also explicitly mandated by state law.

With respect to RHNA allocation methods that privilege housing capacities as constrained by local general plans, state law is equally clear in prohibiting councils of governments from limiting their consideration of housing capacity to the existing zoning ordinances and land use restrictions of their member jurisdictions. Thus, SANDAG and its counterparts must consider the potential for increased residential development under alternative zoning and land use schemes. Notwithstanding such physical constraints as flood zones, farmland and sensitive habitat, state law clearly establishes that jurisdictions cannot justify reductions in their fair share of regional housing need on the basis of their failure to adequately zone for high-density housing (Govt. Code Section 65584.04(f)). Being rooted in just such an approach, Option 2b conforms neither to the spirit nor the letter of state law.

Housing “Capacity”
In addition to its noncompliance with state law, Option 2b fails to acknowledge the ambiguous nature of general plan housing “capacity” and the common disconnect between what jurisdictions define as their respective housing capacities and what the California Department of Housing and Community Development (HCD) recognizes as “capacity” in the housing sites inventories that all jurisdictions must include in their updated housing elements. Housing sites inventories have become the single biggest obstacle to housing element certification in California, in large part because of the strict criteria HCD has established for inventoried sites. Consequently, many jurisdictions with general plan “capacity” for affordable housing find that they still have to rezone property to gain HCD approval of their sites inventories. It is likely that some jurisdictions in the San Diego region will confront a similar requirement in the course of updating their housing elements for the 2013-2020 planning period.
Most of the remaining "capacity" for new housing in Oceanside (affordable or market-rate) exists on small infill lots along the City's already-developed commercial corridors: e.g. Coast Highway, Oceanside Boulevard and Mission Avenue. Few of these lots are vacant, and fewer still are large enough to accommodate the scale of affordable housing development typically eligible for state and federal subsidies. Convincing HCD that underutilized properties are ripe for redevelopment will be a daunting challenge, particularly given the current state of the local housing market. While Oceanside’s general plan “capacity” for affordable housing (at densities of at least 20 du/acre) appears to exceed the City’s RHNA obligation under Option 2b, much of this “capacity” will not qualify as suitable for affordable housing development under HCD standards. Without a parcel-by-parcel analysis of affordable housing capacity in each of the region’s nineteen jurisdictions, it is imprudent to assume that jurisdictions with theoretical general plan “capacity” for high-density housing are any better prepared to accommodate affordable housing than those with more limited general plan “capacity”.

The issue of “capacity” is further complicated by state density bonus law and other local provisions that allow densities above ostensible maximums set by general plans and zoning ordinances. While state law mandates density bonuses of up to 35 percent above locally-established density maximums, some jurisdictions allow even greater bonuses through various mechanisms designed to encourage affordable housing.

The fact is, although the state has established high density as a proxy for housing affordability, many jurisdictions in San Diego County have accommodated affordable housing at lower densities than those prescribed under RHNA protocol. We fully understand the challenge all jurisdictions face in dealing with minimum densities articulated by HCD as part of its evaluation of housing sites inventories, but we also believe that the RHNA allocation process must be informed by the reality of affordable housing development in our region – i.e., that affordability has been achieved across a range of densities, and through a variety of regulatory processes.

**Jobs/Housing Ratio**

Among incorporated jurisdictions in San Diego County, the City of Oceanside has the lowest ratio of jobs to housing units, supplying less than 0.7 jobs per residence. This jobs/housing ratio is less than half that of San Diego, Carlsbad, Vista and Poway. Consequently, much of the City’s workforce is obliged to commute to job centers in San Diego, Carlsbad, Vista, the I-15 Corridor and southern Orange County. The cost of excessive commuting is not only borne by the commuters themselves, but by the entire region, in the form of increased traffic congestion and air pollution. The City’s business community is also adversely impacted by this commuting pattern, with the purchasing power of local residents depleted by rising transportation costs.

The City of Oceanside is committed to creating more local jobs for residents at all income levels. This effort is challenging enough under current economic circumstances; it will be considerably more challenging if the City is forced to rezone a significant share of its already limited commercial and/or industrial land inventory to exclusively residential use. The housing burden that Option 2b would place on Oceanside would compromise the City’s efforts to build its employment base and create a more economically balanced and sustainable community. This consequence is implicitly acknowledged in Options 3c and 3d, which partially adjust RHNA shares based on the extent to
which a jurisdiction’s job/housing balance deviates from the regional average.\(^1\) Such an adjustment is not only critical for Oceanside and other jurisdictions struggling to bring jobs closer to where their residents live; it is also critical for a region seeking to reduce greenhouse gas emissions while maintaining an efficient multimodal transportation system.

**Income Distribution**

Income distribution in the City of Oceanside aligns precisely with the regional average; forty percent (40\%) of households both in the City of Oceanside and across the San Diego region qualify as very low or low income. However, under Option 2b, Oceanside’s allocation of very low and low income units accounts for forty-four percent (44\%) of its total RHNA share. Other jurisdictions with percentages of very low and low income households currently at or above the regional average (San Diego, Chula Vista, San Marcos, Vista) also see their percentages go even higher under Option 2b.

If one of the principal goals of the RHNA process is to move the region toward a more balanced distribution of very low and low income households, how can it be appropriate to push a jurisdiction above the regional average, particularly if that jurisdiction has neither the employment base nor the transit infrastructure to accommodate these additional households? Such an approach undermines the principles of equity and sustainability that SANDAG and its member jurisdictions purport to follow in their regional planning efforts. Basic fairness requires that no jurisdiction with percentages of very low and low income households at or above the regional average be allocated very low and low income units in excess of this regional average.

**Recommendations**

The City of Oceanside has consistently supported those allocation options that account for income distribution, jobs/housing balance and transit orientation, as well as those options that alleviate development pressure on the region’s rural unincorporated areas by capping the County’s allocation at its general plan capacity. We continue to find Option 3d to be the most principled and legally defensible of the allocation methods, and thus support its wholesale adoption. We believe that upon further review – including formal inquiries to state housing officials – SANDAG and its member jurisdictions must concede that Option 2b cannot be reconciled with state housing law and should therefore be abandoned in favor of a more reasoned and equitable approach.

Sincerely,

JIM WOOD
Mayor, City of Oceanside

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\(^1\) Options 3c and 3d adjust RHNA shares by only **fifty percent (50\%)** of the percentage by which each jurisdiction’s jobs/housing balance deviates from the regional average. While this does not fully account for regional disparities in jobs-housing balance, Oceanside supports this adjustment factor as a reasonable compromise.
July 28, 2011

SANDAG Board of Directors
c/o Susan Baldwin, Senior Regional Planner
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

SUBJECT: DRAFT REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY

Dear Ms. Baldwin:

Thank you for the opportunity to comment on the draft RHNA methodology and allocation for the upcoming Housing Element cycle. The City of Poway fully supports Option 2b: Lower Income Capacity Option, as proposed. This option is the only option that was considered that does not require any jurisdiction to exceed their lower income General Plan capacities.

The proposed Option 2b is equitable because it respects all jurisdictions' General Plans and does not force any jurisdiction to rezone in order to comply. The individual General Plans adopted at the local level are reflective of the jurisdictions' character and vision, and they serve as the basis for the Regional Comprehensive Plan (RCP) and Regional Transportation Plan (RTP). The distribution of the RHNA in Option 2b is consistent with the Smart Growth concepts in the RCP in that it places more affordable units in closer proximity to transit and away from habitat conservation areas. The units are assigned to the jurisdictions that have the capacity and the transportation infrastructure to accommodate them.

The other options that were considered required three jurisdictions (Poway being one of them) to provide more affordable units than their adopted General Plans have provided for. This would create an inequity and puts those three jurisdictions at a significant disadvantage of being able to achieve a certified Housing Element within the time frame dictated by HCD because only those jurisdictions would be required to go through the additional steps of rezoning and amending their General Plans to accommodate the additional units. All other jurisdictions have the capacity (and more) within their existing General Plans to provide the units assigned. It should be noted that even with Option 2b, those three jurisdictions would be required to provide 100% of their higher density land use as affordable housing, unlike any of the other jurisdictions.

The City of Poway is pleased that Option 2b is the proposed methodology and is fully supportive. This option truly is most equitable and will result in a regional build out that is consistent with the Smart Growth concepts of the RCP. If you have any questions about Poway's support for Option 2b, please call me at 858-668-4520 or Bob Manis, Director of Development Services, at 858-668-4601.

Very truly yours,

Don Higginson
Mayor

cc: Gary Gallegos, Executive Director
Coleen Clementson, Principal Planner
Carolina Gregor, Senior Planner
Penny Riley, City Manager
Tina White, Assistant City Manager
Bob Manis, Director of Development Services
Jim Lyon, Senior Planner
July 28, 2011

Susan Baldwin, AICP
Senior Regional Planner
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Subject: City of Santee’s Comments on the Draft Regional Housing Needs Assessment (RHNA) Methodology and Allocation for the Housing Element Fifth Cycle

Dear Ms. Baldwin:

The City appreciates the opportunity to comment on the proposed RHNA Methodology and allocation of very low and low-income housing units to the County and other jurisdictions in the region. The City does not oppose the allocation methodology reflected in Option 2b, which is based upon existing General Plan residential capacities by jurisdiction.

The first part of this letter addresses the City’s existing General Plan capacity reflected in the Option tables, and the second part addresses suggested housing element law changes that would improve a jurisdiction’s ability to demonstrate adequate site capacity.

Option Tables
The option tables identify an estimated Santee General Plan 20+ du/acre housing capacity at 1,650 units. This number should be revised to reflect a 1,621 unit capacity to more accurately reflect the capacity of the City’s sole “Urban Residential (R-30) site. The Urban Residential land use designation does not establish a density range but rather a single density based upon 30 dwelling units per acre. When the actual site area and the existing density are considered, the result is a small (29 unit) reduction in the City’s 20+ du/acre residential capacity, from 1,650 to 1,621 units. This minor change does not result in a change to the City’s Very Low/Low Income RHNA allocation in any of the options including Option 2b.

Housing Element Law
Crucial to each jurisdiction is the ability to demonstrate the existence of adequate capacity to accommodate its lower income RHNA allocations when preparing its 2013 – 2020 housing elements during the next 2 years.
The City encourages HCD to accept infill sites in housing element inventories even when there are structures on these sites (i.e., non-vacant land sites). To ignore underdeveloped or under-utilized sites in urbanized areas is contrary to the goal of developing affordable housing closer to services and transit. Many cities partner with affordable housing developers to develop housing in appropriate infill locations and along transit-served corridors. These infill sites must be counted so that housing developers are presented with a wider range of site development options.

Secondary dwelling units are constructed in all cities with ministerial review. Therefore all single-family residential zones contribute affordable housing capacity and jurisdictions should be permitted to count these units toward meeting the very low and low RHNA numbers.

State housing law defaults to an affordable housing density of 30 dwelling units per acre in identifying very low and low income RHNA sites. The City of Santee has, in partnership with affordable housing developers, constructed, and will construct, affordable housing at 14 to 19 dwelling units per acre. As such, the City urges that the 30 dwelling unit per acre default be reduced to at least 15 dwelling units per acre.

In addition, the City requests further analysis of density bonus law as it relates to capacity. Affordable housing developers almost always take advantage of density bonus provisions of state law as a means of ensuring the financial viability of their projects. Therefore, the density bonus should be taken into account when calculating capacity.

The City would appreciate a change to the 20+ du/acre housing capacity in the RHNA option tables as discussed herein. Do not hesitate to call me with any questions at (619) 258-4100 ext 167.

Respectfully,

Melanie Kush, AICP
Director of Planning
City of Santee

c. Keith Till, City Manager
Pedro Orso-Delgado, Deputy City Manager/Development Services Director
From: corking pearling [mailto:corking@hotmail.com]
Sent: Tuesday, July 26, 2011 3:31 PM
To: Baldwin, Susan
Subject: RHNA Methodology and Allocation Not Consistent with State Housing Law

SANDAG Board:

National City is comprised of ~40% very low income households and ~22% low income households. The region is comprised of ~22% very low and 17% low income households. Yet, the RPC/Staff have recommended that National City receive a RHNA allocation equivalent to ~25% very low and ~19% low of their regional share, which will further contribute to the extreme lower income impaction in National City and socioeconomic inequity in the region. The RHNA methodology and allocation is not consistent with State Housing Element Law, and it's outcome is patently unfair to lower income communities such as National City, which has the lowest household income in the region.

Pursuant to Government Code Section 65584, the regional housing needs allocation plan must be consistent with:

1. Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low and very low income households.

Comment: The proposed allocation methodology has inequity built into it since the allocation of lower income units to an impacted community will always be a factor greater than the regional proportion, i.e. the equation moves the allocation slightly closer to the regional average, but will never mathematically achieve equity. Hence, the proposed plan is not consistent with this objective of state housing law.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

Comment: The proposed allocation plan promotes socioeconomic inequity more so than equity by allocating a greater proportion of lower income households than the existing regional proportion to impacted communities, i.e. If the regional proportion of very low income households is ~22%, an allocation of ~25% to National City (with a current proportion of 40%) does not promote socioeconomic equity. The proposed plan is not consistent with this objective of state housing law.

3. Promoting an improved intraregional relationship between jobs and housing.

No comments.

4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

Comment: The proposed plan does not allocate a lower proportion of lower income units compared to the countywide distribution. For example, National City with a disproportionately high share of lower income households (~40%) is allocated a proportion of ~25% lower income units. The countywide distribution of lower income households is ~22%. National City's allocation proportion of ~25% is greater and not lower than the countywide distribution of ~22%. Consequently, the proposed plan is not consistent with this objective of state housing law.

These inconsistencies with state housing law can be remedied by allocating a lower proportion of lower income units than the regional distribution to those communities that have a higher proportion of lower income households than the region. Otherwise, adoption of the plan as proposed would contribute to perpetuating lower income impaction and socioeconomic inequity in the region.

C. Pearling
July 28, 2011

Susan Baldwin
San Diego Association of Governments
410 B Street, 8th Floor
San Diego, CA 92101

Re: Comments on the Draft RHNA Allocation Methodology

Dear Ms. Baldwin:

At its May 27th meeting, the SANDAG Board of Directors recommended Alternative 2b for the Regional Housing Needs Assessment (“RHNA”). The San Diego Housing Federation feels strongly that this allocation methodology fails to make meaningful progress towards achieving the public policy objectives set forth in Housing Element Law and SB 375.

Explicit in these laws is an acknowledgement that their goals, including deconcentration of poverty, increased jobs-housing balance, and sustainable land use patterns, are best achieved by utilizing a regional lens. By choosing Alternative 2b, SANDAG has failed to apply this lens. By relying upon a distribution methodology based solely upon HCD income distribution percentages, the region will continue to perpetuate and worsen illogical and unhealthy traffic patterns and contribute to deeper socioeconomic inequities in the region. Furthermore, allowing individual jurisdictions to independently determine whether they have sufficient capacity to accommodate affordable housing runs absolutely counter to the fundamental principles of Housing Element law.

During the Board’s deliberations, one Board member questioned how the RHNA methodology might differ given a different decision-making body that did not have a jurisdictional stake in the outcome. The action of SANDAG’s Regional Housing Working Group on April 14, 2011 is instructive in addressing this inquiry. The Regional Housing Working Group is primarily comprised of organizational interests that serve the entire San Diego region without regard to jurisdictional boundaries. The RHWG members present on that date unanimously agreed that Alternative 3c was the best methodology for allocation of lower income housing. The significance of this vote may be heightened by the fact that participants represented groups with broadly divergent interests, including the San Diego Housing Federation, the San Diego Regional Chamber of Commerce, and Affordable Housing Advocates.
The unanimous support shown by the RHWG members for Alternative 3c is a recognition that its methodology: 1) is more consistent with and builds upon the goals set forth in the current Regional Comprehensive Plan, and 2) maximizes the intent of housing element law by fully applying the objectives set forth under the law; and 3) is integral to ensuring the implementation of a successful Sustainable Communities Strategy under SB 375. For these reasons, the San Diego Housing Federation remains committed to its recommendation that Alternative 3c is far superior to the methodology represented in Alternative 2C.

In light of the Board’s current recommendation of Alternative 2b, it is all the more imperative that a strong program of incentives be established that provides financial support for jurisdictions that have a commitment to providing much needed housing for the region’s workforce and other low income households. We applaud the Board for moving the discussion of Policy No. 033 forward concurrently with the RHNA adoption. We will be providing separate input into this process as the discussion progresses. However, needless to say, it is critical that the policy be strengthened.

Sincerely,

Susan Riggs Tinsky
Executive Director

Attachment: SDHF letter to the SANDAG Board date May 23, 2011
May 23, 2011

Honorable Jerome Stocks, Chair
Board of Directors
San Diego Association of Governments
410 B Street, 8th Floor
San Diego, CA 92101

Re: RHNA Allocation – Recommend Adoption of Option 3c and Implementation of Complementary Incentive Program

Dear Chairman Stocks:

On Friday, May 27, the SANDAG Board of Directors will make a recommendation on the Regional Housing Needs Assessment (“RHNA”). As you are aware, this cycle’s RHNA allocation is not just germane to the region’s housing needs. Pursuant to SB375, this allocation is also critical to the adoption and implementation of San Diego’s Regional Transportation Plan and Sustainable Communities Strategy.

SB375 provides the region with an opportunity to plan outside the “silos” by strengthening the connections between transportation, housing and other land uses. Recognizing that each jurisdiction’s individual decision-making has a collective and cumulative impact on the region as a whole, strengthening these connections will provide incalculable economic and social benefits to all the affected jurisdictions by:

1) Decreasing regional and intra-jurisdictional traffic by increasing jobs housing balance. This will lead to increased worker productivity and increased highway capacity for commercial goods movement.

2) Creating more compact development patterns that will result in more financially and environmentally sustainable communities. This will allow jurisdictions to maximize their investment in public infrastructure and services in a smaller geographic area, allowing their dollars to go much further. In addition, jurisdictions can experience increased tax-generated revenues from the economic development that is generated by well-planned transit-oriented development.

3) Realizing the maximum value from our regional investment in transportation infrastructure by giving commuters true alternatives to utilizing single occupancy vehicles. In doing so, freeway capacity can be increased without adding additional lanes.
In order to maximize the benefits that SB375 offers, we encourage you to reject the staff’s recommendation of Scenario 2b, in favor of Option 3c. The latter scenario: 1) is more consistent with and builds upon the goals set forth in the current Regional Comprehensive Plan, and 2) maximizes the intent of housing element law by fully applying the objectives set forth under the law.

Integral to realizing the benefits afforded to the region by the implementation of SB375 is not just planning for housing in the “right” locations, but instead ensuring that the affordable housing is built. While SANDAG does not have the authority to regulate local land use, it does have the ability to incentivize development that is consistent with the goals of SB375 and our Regional Comprehensive Plan. We recommend that all competitively awarded funds, including Smart Growth Incentive Funds and TransNet Bicycle and Pedestrian Funds, be allocated in a way that acknowledges jurisdictions’ efforts to achieve regional goals for jobs-housing balance.

SANDAG should ensure that the criteria for allocation of these funds include: 1) a requirement that all developments supported by the funds include an affordable housing component; 2) give strong priority for jurisdictions taking more than their “fair share” of affordable housing under the RHNA process; and 3) gives preference for providing funding to governmental or public-private partnerships which result in the acquisition of land for affordable housing development adjacent to major transit nodes concurrent with the acquisition of transit right of way.

Through our recent planning efforts, SANDAG and its member jurisdictions have laid a strong foundation for making the critical connections called for in SB375. We hope that you will continue this progress by adopting Option 3c today and directing the implementation of funding allocation criteria that support the implementation of the goals of SB375.

Sincerely,

Susan Riggs Tinsky
Executive Director
July 29, 2011

Hon. Jerome Stocks, Chairman  
Members of the Board of Directors  
San Diego Association of Governments  
401 “B” Street, Suite 700  
San Diego, CA 92101

**RE: Lower Income Capacity Option 2b, Draft RHNA Methodology and Allocation**

Mr. Chairman and members of the Board:

The importance of assessing and “allocating” where a region’s housing mix will be planned and presumably produced is based on the linkage between where people live and where they must travel – to work, to obtain the basic necessities of life, to recreate and to contribute to the life of the community. It is this linkage and its daily impact upon economic health and job opportunity, the need to reduce commutes in congested roadways over significant distances, to improve access to transit, and improve air quality which forms the basis for the mandate that such need projections be assessed regionally and not parochially. Indeed, these linkages are the basis for the requirements reflected in SB 375 and the need to address sustainability and air quality through a housing-transportation link.

It is through this lens that **Sustainable San Diego** wishes to again restate our strong belief that the most appropriate methodologies are those which are the most consistent with SB 375 objectives, the principles in our Regional Comprehensive Plan, and best practices for achieving regional sustainability.

We acknowledge the decision by the Board at its May 27, 2011 meeting to circulate for public comment Lower Income Capacity Option 2b. However we also acknowledge the Board’s right to re-evaluate that choice, seek additional comment on this or other options, or reconsider prior to final adoption. While this would be our preferred outcome, we are restating our belief that other “Regional Share” methodologies would have been more consistent with regional sustainability principles as our primary comment with respect to option 2b. In addition, we would like to restate as well our belief that strong complimentary incentive policies such as Board Policy 33 will be even more important based upon the Board’s current direction.

Sustainable San Diego is a collaborative of over thirty organizations dedicated to ensuring equal opportunity and access to a healthy region and communities by strengthening and integrating land use, housing, transportation, environment, health and economic development policies.

The Lower Income Capacity Option which is the currently preferred option and the subject of this comment period is an unfortunate choice in that it fails to acknowledge the basic reality that increases in capacities region-wide must be better linked to job centers and job supporting populations. While respecting the preferences of local jurisdictions as reflected in their respective land use plans.
and the fact the state housing element law addresses itself to planning and not implementation is obvious, the purpose and advantage of a regional planning body is to seek and encourage the appropriate “big picture” best practices, and where appropriate incentivize production.

SANDAG staff perhaps unknowingly made the point with its description of the differing options and the basic two philosophies in conflict in its May 27, 2011 Agenda Report:

“These categories express two general philosophies: one that respects housing capacities in local general plans as reflected in the 2050 Regional Growth Forecast (Options 2b and 2c); and one that further improves the balance of housing for very low and low income households throughout the region based on planning principles that include income, jobs/housing balance and proximity to transit (Options 1c, 3a, 3c, and 3d)”\(^1\) (Emphasis Added)

While the overall data can be used to illustrate general compliance with state housing element law in terms of individual jurisdictions current and planned regional share of low and very low income housing, it also starkly illustrates a disconnect between where lower income populations reside and where they work. Examples include cities such as Chula Vista, El Cajon, Imperial Beach, Lemon Grove, National City and Oceanside.\(^2\)

In the absence of an allocation which further improves the balance of housing where planning is concerned, it is all the more important that SANDAG retain incentive policies such as Policy 33 which seek to encourage production.

The existence of a strong diversity of housing stock capable of sustaining a broad spectrum of our current and future workforce will focus our investment in more sustainable transportation networks, better link our workforce to the job growth sectors they support, reduce the disproportionate burden of high housing and transportation costs to a large segment of our workforce and positively impact productivity. Policy 33 does not unduly prejudice the award of discretionary funds for projects eligible through a competitive process, but simply acknowledges the reality that jurisdictions producing the majority of affordable housing product are indeed providing a regional benefit, and contributing to the types of higher-density, transit appropriate developments which will contribute to compliance with SB 375 and are consistent with our Regional Comprehensive Plan.

Most Sincerely and Respectfully,

/s/

Stephen C. Padilla, Consultant-Director
Sustainable San Diego

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\(^1\) SANDAG Agenda Item No. 11-05-10, Page 1, May 27, 2011
\(^2\) Table 1a, SANDAG Agenda Item No. 11-05-10, May 27, 2011
July 26, 2011

SANDAG Board of Directors
C/O Mr. Gary Gallegos
Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Subject: City of Del Mar’s Support of RHNA Option 2b

Dear Board of Directors and Mr. Gallegos,

On behalf of the Del Mar City Council, we would like to express our support of Option 2b as the RHNA Methodology and Allocation and encourage its adoption.

Option 2b focuses on a plan for regional success, without harming any individual jurisdiction. This option allows all jurisdictions a reasonable ability to certify their housing elements. It will provide for equal access to funding that will promote regional smart growth development, a key to implementing the goals of affordable housing. By addressing capacity, Option 2b fairly considers those jurisdictions with substantial open space, environmentally constrained lands, or built-out conditions. The likelihood that the region will actually provide the needed housing is increased with Option 2b, instead of continually being limited by capacity in the built-out cities.

We encourage the Board of Directors to endorse Option 2b because it creates a true regional approach to addressing the housing imbalance and allows those jurisdictions, like ourselves, to address the necessary change but not fail in producing a viable solution to housing.

Thank you for the opportunity to review and comment on the Draft Regional Housing Needs Assessment (RHNA) Methodology and Allocation. We appreciate Ms. Baldwin’s attendance at our April 11, 2011 City Council hearing and her willingness to answer our questions.

Sincerely,

Donald Mosier
Mayor, City of Del Mar
September 1, 2011

Susan B. Baldwin, AICP
Senior Regional Planner
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Subject: Draft RHNA Plan Comments

Dear Susan,

Thank you for the opportunity to submit the following comments:

National City has the greatest proportion of lower income households among SANDAG’s 19 member agencies. Based on the 2000 Census, 61% of the City’s households were lower income compared to the regional average of 40%. Yet, the draft plan allocates a greater share of 44% lower income housing units to the City than the regional average of lower income households.

The Draft RHNA Plan does not achieve several of the State Housing Element Law’s objectives including (paraphrased): 1) Planning for housing affordability in an equitable manner among the cities and county within the region; 2) Promoting socioeconomic equity; and 3) Allocating a lower proportion of lower income units when a jurisdiction has a disproportionately higher share of the countywide average of lower income households.

The proposed allocation to the City does not further the objectives of State Housing Law and would further exacerbate the over-concentration of lower income households in the City. Moreover, the proposed plan would continue to perpetuate the regional inequity between more affluent and less affluent communities by not addressing the existing distribution of lower income households in the region when allocating RHNA numbers.

To be minimally consistent with State Housing Law, a community with a greater proportion of lower income households than the regional average should be allocated a percentage of lower income units that is less than this regional average. To be consistent with the intent and spirit of the law, the allocation should reflect a substantial effort to achieve the objectives stated above.

Another concern is Board Policy 33. The purpose of Policy 33 is for SANDAG to allocate discretionary funding for smart growth and transportation projects to communities with
compliant housing elements and production results of low and very low income housing. Cities like National City that have planned for growth are thus penalized in relation to cities unwilling to plan for growth that, as a result, receive lower RHNA allocations. Lower RHNA allocations improve production results due to the percentage methodology used in determining funding priorities. Because of this contradiction we have concerns about any proposed resolution. We ask that you consider this concern and allow us to have a seat at the table in the committee discussions that are ongoing so we can help form a resolution that matches the goals and needs of our community and the region.

If you have any question, please give me a call.

Sincerely,

Brad Raulston
Executive Director

cc: Mayor & Council
    Chris Zapata, City Manager