

Regional Housing Needs Assessment Appeals Public Hearing

Overview

On November 22, 2019, the Board of Directors voted to adopt the final Regional Housing Needs Assessment (RHNA) Methodology. As required by state law, SANDAG staff distributed the [final RHNA Methodology](#) and [draft RHNA Allocation](#) to each jurisdiction in the region and the state's Department of Housing and Community Development (HCD), which began the 45-day appeal period. SANDAG received appeals from the cities of [Coronado](#), [Imperial Beach](#), [Lemon Grove](#), and [Solana Beach](#), which are available at sandag.org/rhna.

At the conclusion of the appeal period, SANDAG distributed the four appeals to each jurisdiction and HCD, which began a second 45-day period for jurisdictions or HCD to provide comments on any or all appeals. SANDAG received five comment letters on the appeals: three from the City of Lemon Grove and one each from the cities of Coronado and Solana Beach. These letters are available at sandag.org/rhna.

State law requires that SANDAG conduct a public hearing to consider the appeals and any comments on the appeals from jurisdictions or HCD. On February 28, 2020, the Board ratified procedures for the appeals hearing (Attachment 1).

Key Considerations

Appeal Considerations

Each jurisdiction's appeal requested a revision to the draft RHNA Allocation. Proposed final determinations for each appeal are attached (Attachments 2, 3, 4, and 5) which include proposed written findings as to how each determination is consistent with state law. SANDAG received supplements to the appeals and proposed findings from the cities of Coronado and Solana Beach (Attachments 6 and 7), and a letter co-signed by all four appealing jurisdictions on June 24, 2020 (Attachment 11). Addenda to the proposed final determinations for each appeal responding to these recent submissions are also attached (Attachments 12, 13, 14, and 15). SANDAG staff recommends the following actions on the appeals:

1. Modify the housing unit allocation for the cities of Coronado, Imperial Beach, and San Diego based on the City of Coronado's appeal.

The City of Coronado's appeal requested clarification on whether the jobs at Naval Base Coronado included jobs at installations located outside of the City of Coronado. During a discussion with Naval Facilities Engineering Command (NAVFAC) Southwest in February 2020, it became clear that the jobs data for the Silver Strand Training Complex (SSTC) in the City of Coronado and the Naval Outlying

Action: **Conduct Hearing/Possible Action**

The Board of Directors is asked to:

1. Conduct a public hearing to consider the Regional Housing Needs Assessment (RHNA) appeals and all comments on appeals;
2. Make a final determination, and adopt written findings that either grants, grants in part, or denies each appeal; and
3. Pending a final determination on all appeals, issue the proposed RHNA Plan.

Fiscal Impact:

Development of the Regional Housing Needs Assessment Plan is funded through Overall Work Program No. 3102000 in the FY 2020 Program Budget.

Schedule/Scope Impact:

Pending a final determination on all appeals and issuance of the RHNA Plan, the Board would be asked to adopt a final RHNA Plan at the conclusion of a public hearing at a future meeting of the Board.

Landing Field (NOLF) in the City of Imperial Beach was not aligned with the Demographics report published by Defense Manpower Data Center (DMDC) used to develop the SANDAG Employment Estimates. SSTC and NOLF have—at most—99 active duty military jobs according to the DMDC data. The total jobs data had erroneously treated both SSTC and NOLF as remote stations of Naval Base San Diego 32nd Street and redistributed a portion of the jobs at the 32nd Street installation located in the City of San Diego to SSTC and NOLF. To provide a consistent application of the final RHNA Methodology, SANDAG staff recommends reassigning the jobs previously associated with SSTC and NOLF to the City of San Diego and assigning jobs for SSTC and NOLF based on data from DMDC, consistent with other military installations in the region. The correction of the jobs count per jurisdiction would result in a revised housing unit allocation for the cities of Coronado, Imperial Beach, and San Diego.

Additionally, the City of Coronado’s appeal noted that Naval Air Station North Island (NASNI) is located in the cities of Coronado and San Diego; however, all the jobs at NASNI were assigned to the City of Coronado. The final RHNA methodology allocates housing units based on the total number of jobs in each jurisdiction. NAVFAC does not identify NASNI jobs by jurisdiction, and SANDAG staff was not able to identify another data source of the jobs split between jurisdictions. Therefore, staff recommends revising the jobs count for the cities of Coronado and San Diego by assigning NASNI jobs based on the share of NASNI land area located in each city. Nineteen and a half percent of the active duty and civilian jobs associated with NASNI would be assigned to the City of San Diego and 80.5% of the active duty and civilian jobs associated with NASNI would be assigned to the City of Coronado.

The two revisions to the jobs data described above would result in an increase of 3,913 jobs in the City of San Diego, a decrease of 2,445 jobs in the City of Coronado, and a decrease of 1,270 jobs in the City of Imperial Beach (Attachment 8). Accordingly, these changes would result in a revised housing unit allocation for the cities of Coronado, San Diego, and Imperial Beach (Attachment 9).

SANDAG staff recommends rejecting the remaining requests for a revised share of the regional housing need included in the City of Coronado’s appeal. Proposed findings for the remaining requests can be found in the proposed Final Determination for the City of Coronado’s Appeal (Attachment 2).

2. Reject the appeals from the cities of Lemon Grove, Imperial Beach, and Solana Beach

SANDAG staff recommends rejecting the remaining requests for a revised share of the regional housing need included in the appeals of the cities of Imperial Beach, Lemon Grove, and Solana Beach. Proposed findings for each request can be found in the proposed final determinations for each appeal (Attachments 3, 4, and 5).

Final Appeals Determination and Proposed Final RHNA Plan

The Board is asked to make a final determination on each appeal.

Based on staff’s recommendations, revisions to the draft allocation as described above would include an increase of 135 housing units for the City of San Diego, a decrease of 89 housing units for the City of Coronado, and a decrease of 46 housing units for the City of Imperial Beach. Attachment 7 shows the revised draft RHNA Allocation with these changes. Attachment 10 is the proposed RHNA Plan incorporating the revised RHNA Allocation based on the proposed final determinations.

Consistent with the SANDAG RHNA Appeals Hearing Procedures, the Board is asked to consider all information presented in the appeal, all comments received regarding the appeal, all information received during the public hearing, and determine one of the following outcomes for each appeal:

- a. Adopt the proposed final determinations or a jurisdiction’s proposed findings for the appeal, and grant, grant in part, or deny the appeal based on such findings.
- b. Adopt the proposed final determinations or a jurisdiction’s proposed findings with specified modifications for the appeal, and grant, grant in part, or deny the appeal based on such findings.
- c. Direct SANDAG staff to collaborate with the Chair and Vice Chair on drafting final determinations with written findings for the appeal reflecting the substance of the Board’s discussions on the appeal for the

Board's consideration at a future meeting. The disposition of the appeal would also be determined by the Board at such future meeting.

Next Steps

Pending a final determination on all appeals and issuance of the RHNA Plan, the Board would be asked to adopt a final RHNA Plan at the conclusion of a public hearing at a future meeting of the Board.

Hasan Ikhata, Executive Director

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- Attachments:
1. SANDAG RHNA Appeals Hearing Procedures
 2. SANDAG RHNA Appeals Draft Determination: City of Coronado
 3. SANDAG RHNA Appeals Draft Determination: City of Imperial Beach
 4. SANDAG RHNA Appeals Draft Determination: City of Lemon Grove
 5. SANDAG RHNA Appeals Draft Determination: City of Solana Beach
 6. City of Coronado Supplement to City Appeal
 7. City of Solana Beach Supplement to City Appeal
 8. Revised Jobs Count for Each Jurisdiction
 9. Revised RHNA Housing Unit Allocation
 10. Proposed RHNA Plan
 11. Letter from all Appealing Jurisdictions
 12. Addendum to SANDAG RHNA Appeals Draft Determination: City of Coronado
 13. Addendum to SANDAG RHNA Appeals Draft Determination: City of Imperial Beach
 14. Addendum to SANDAG RHNA Appeals Draft Determination: City of Lemon Grove
 15. Addendum to SANDAG RHNA Appeals Draft Determination: City of Solana Beach

SANDAG RHNA Appeals Hearing Procedures

The Regional Housing Needs Assessment (RHNA) public hearing will be held during the Board of Directors meeting on June 26, 2020, and shall comply with relevant SANDAG policies related to public participation. The hearing process for each of the four appeals will be as follows:

1. The appealing jurisdiction will be provided an opportunity to make its case regarding the change in its share of the draft regional housing need allocation, with the burden on the appealing jurisdiction to prove its case. An appealing jurisdiction may choose to have technical staff present its case at the hearing. A jurisdiction may present its own proposed findings on its appeal for the Board's consideration. The four appealing jurisdictions will present in alphabetical order. (Approximately 10 minutes maximum for each appealing jurisdiction presentation).
2. SANDAG staff will present information and clarify issues raised in the jurisdiction's presentation and will provide its assessment of the technical merits of the appeal, including a discussion of staff's proposed draft findings on the appeal, which shall be published in advance of the hearing. (Approximately 10 minutes maximum for each appeal).
3. Board members will be invited to ask questions of the appealing jurisdiction or of SANDAG staff regarding the information presented.
4. Steps 1 through 3 above will be repeated for each of the remaining appeals.
5. Members of the public will be invited to provide public comment regarding any or all of the appeals. (3 minutes or less maximum per speaker as determined by the Chair based on the number of speakers and availability of time).
6. The appealing jurisdictions will be allowed to present a rebuttal/final statement to address SANDAG staff presentations and public comments (approximately 5 minutes maximum for each rebuttal/statement).
7. The Chair will close the public hearing on the RHNA Appeals.
8. Board members will be invited to discuss the issues raised in the appeals.
9. The Board will be asked to conduct a separate vote for each appeal pursuant to SANDAG standard voting procedures, considering all information presented in the appeal, all comments received regarding the appeal, and all information received during the public hearing, determining one of the following outcomes for each appeal:
 - a. Adopting SANDAG staff's or a jurisdiction's draft findings for the appeal, and granting, granting in part, or denying the appeal based on such findings.
 - b. Adopting SANDAG staff's or a jurisdiction's draft findings with specified modifications for the appeal, and granting, granting in part, or denying the appeal based on such findings.
 - c. Directing SANDAG staff to collaborate with the Chair and Vice Chair on drafting findings for the appeal reflecting the substance of the Board's discussions on the appeal for the Board's consideration at a future meeting. The disposition of the appeal would also be determined by the Board at such future meeting.
10. Once a final determination has been made of all RHNA appeals, the Board will be asked to issue a proposed final RHNA Plan consistent with the disposition of all RHNA appeals. At a subsequent public hearing, the Board will be asked to adopt the final RHNA Plan.

San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Coronado

The City of Coronado (City) has appealed its draft Regional Housing Needs Assessment (RHNA) allocation. The following constitutes the final determination of the San Diego Association of Governments (SANDAG) Board of Directors regarding the City's appeal. This final determination is based on the information and methodology described in California Government Code Section 65584.04,¹ the information presented in the appeal, all comments received regarding the appeal, and information received during the public hearing.

I. Statutory Background

The California Legislature developed the RHNA process in 1977 to address the affordable housing shortage in California. The RHNA process is codified in state law at Section 65580, *et seq.* Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

See Section 65580.

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.

¹ All statutory references are to the California Government Code unless otherwise noted.

- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

See Section 65581.

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Section 65300). A general plan consists of many planning elements, including an element for housing (See Section 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state (Section 65584(a)). HCD's determination must be based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. (See Section 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD's failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). Within 45 days of receiving the council of governments objection, HCD must "make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made." (See Section 65584.01).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following objectives:

- (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.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (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 American Community Survey.
- (5) Affirmatively furthering fair housing.

See Section 65584(b).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- (1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
 - (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
 - (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.
 - (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- (4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- (6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- (7) The rate of overcrowding.
- (8) The housing needs of farmworkers.
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
- (11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.
- (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
- (13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.
- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.

- (3) Stable population numbers in a city or county from the previous regional housing needs cycle.

See Section 65584.04(g).

Finally, Section 65584.04(m) requires that the final RHNA Plan, which includes both the methodology and the allocation, is consistent with the development pattern included in the region's sustainable communities strategy, distributes the entire regional housing need determined under Section 65584, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d).

C. Public Participation

Government Code Section 65584.04(d) states that "public participation and access shall be required in the development of the methodology." The council of governments is required to "explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584" (See Section 65584.04(f)) as well as explain "how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology" (See Section 65584.04(d)). The proposed methodology, "this information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments' or delegate subregion's, internet website." (See Section 65584.04(f)).

The council of governments is required to open the proposed methodology to public comment and "conduct at least one public hearing to receive oral and written comments on the proposed methodology." (See Section 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Section 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to "whether the methodology furthers the objectives listed in subdivision (d) of Section 65584." (See Section 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions "and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD]." (See Section 65584.04(i)). Upon adoption of the final methodology, the council of governments "shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website." (See Section 65584.04(k)).

E. RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD, and shall publish the draft allocation on its website. (See Section 65584.05(a)). Upon completion of the appeals process,

discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Section 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Section 65584.04(m)(3); Section 65584.045).

II. SANDAG Oversight of the 6th Cycle RHNA Process

A. RHNA Determination

SANDAG began consultation with HCD for the 6th Cycle RHNA process in April 2017. The consultation process included a review of HCD's calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG)², Regional Planning Committee (RPC)³, and the Board⁴.

In March 2018, SANDAG received a draft RHNA Determination from HCD. Consistent with Section 65584.01, HCD used the following data to prepare the draft RHNA Determination for the San Diego region:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter's households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

At its meeting on [May 4, 2018](#), the RPC considered potential changes to the draft RHNA Determination that could be proposed to HCD reflecting factors unique to housing in the San Diego region. The RPC recommended that the Board accept the draft RHNA Determination without modifications.

At its [May 11, 2018](#), meeting, the Board authorized the Executive Director to submit comments to HCD outlining suggested revisions to the RHNA Determination. Then on May 25, 2018, the Board voted to place this item on a future agenda for further discussion before submitting comments to HCD. On [June 8, 2018](#), the Board amended its May 11, 2018, action and directed staff to submit a letter to HCD accepting the draft RHNA Determination. Following [SANDAG's acceptance](#) of the draft RHNA Determination, the consultation process concluded when HCD submitted the final RHNA Determination in a [letter to SANDAG dated July 5, 2018](#).

The final RHNA Determination requires SANDAG and its member agencies to plan for 171,685 total housing units through the 2021-2029 planning period to address the region's housing needs.

² SANDAG staff presented information related to the RHNA Determination to the TWG at its [March 26, 2018](#), and [April 12, 2018](#), meetings.

³ SANDAG staff presented information related to the RHNA Determination to the RPC at its [April 6, 2018](#), and [May 4, 2018](#), meetings.

⁴ SANDAG staff presented information related to the RHNA Determination to the Board at its [March 9, 2018](#), [May 11, 2018](#), and [June 8, 2018](#), meetings.

B. RHNA Methodology and Public Participation

At its [September 14, 2018](#) meeting the Board was surveyed to determine each jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The Board expressed a desire to take a different approach than what had been used in previous housing element cycles and wanted to play a bigger role in the development of the methodology. This culminated in the formation of the RHNA Subcommittee in December 2018, which included members of the Board from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. The Board also requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members.

The RHNA Subcommittee began meeting in early 2019. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings⁵ in spring and summer 2019, prior to the Board's release of the draft methodology for public comment. All meetings were noticed and open to the public.

SANDAG staff also solicited input on the development of the methodology from the TWG, whose membership is described above. The TWG advises the RPC and Board on the development and implementation of San Diego Forward: the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology over 12 meetings⁶ from August 2018 to November 2019, including two workshops specifically focused on RHNA.

Attendees at the meetings of the Board, RHNA Subcommittee, RPC, and TWG provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the outreach process. In addition to addressing comments at public meetings, SANDAG staff responded to comments and questions related to the development of the methodology via phone calls and emails, which led to the creation of Frequently Asked Questions that were posted to the SANDAG website. Staff also presented at city council meetings upon request.

On [July 26, 2019](#), the Board released the draft methodology for public comment. At the end of a 42-day public comment period, SANDAG conducted a public hearing on [September 6, 2019](#). SANDAG received nearly 2,200 [public comments](#). During the public comment period, SANDAG compiled and posted on its website [supplemental information](#) requested by Board members, a list of [Frequently Asked Questions \(FAQs\)](#), and a [response to comments received during the public comment period](#).

On September 6, 2019, the Board authorized staff to submit the draft methodology to HCD for review. In a [letter dated November 1, 2019](#), HCD found that the draft methodology furthers the objectives in state law. At its November 22, 2019, meeting, the Board adopted by [resolution](#) the [final methodology](#) and released the [draft allocation](#). Following the Board meeting, the draft allocation was posted on the SANDAG website and distributed to each jurisdiction and HCD.

⁵ The RHNA Subcommittee met on [February 8, 2019](#), [February 22, 2019](#), [March 22, 2019](#), [April 26, 2019](#), [May 24, 2019](#), and [June 14, 2019](#).

⁶ The TWG discussed RHNA at the following meetings: [August 9, 2018](#), [October 11, 2018](#), [December 13, 2018](#), [January 10, 2019](#), [February 14, 2019](#), [March 14, 2019](#), [April 3, 2019](#), [May 9, 2019](#), [June 6, 2019](#), [June 13, 2019](#), [June 27, 2019](#), and [November 14, 2019](#).

III. RHNA Appeal Process

A. Statutory Background

Under Section 65584.05(b), a local government or HCD may appeal the council of governments within 45 days following receipt of the draft allocation “for a revision of the share of the regional housing need proposed to be allocated to one or more local governments.” Appeals “shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.” Appeals also shall be consistent with the sustainable communities strategy included in the regional transportation plan (See Section 65584.05(b)). In accordance with Section 65584.05(b), appeals are limited to the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

Following the 45-day period for filing an appeal, the council of governments “shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website.” (See Section 65584.05(c)). Local governments and HCD may, within 45 days, comment on one or more appeals.

Within 30 days of the end of the appeals comment period, and with at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).” (See Section 65584.05(d)). Within 45 days of the public hearing to consider appeals, the council of governments is required to make a written final determination for each appeal filed that either accepts, rejects, or modifies the appeal and issue a proposed final allocation plan (See Section 65584.05(e)). The written finding(s) must describe how the determination is consistent with Section 65584.05.

If a final determination on an appeal requires the council of governments to adjust the allocation to one or more local governments that are not the subject of an appeal, Section 65584.05(f) provides: (1) if the adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those housing units proportionally to all local jurisdictions; or (2) if the adjustment totals more than 7 percent of the regional housing need, then the council of governments shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need established under Section 65584.01. (See Section 65584.05(f))

Within 45 days after issuing the proposed final allocation plan, the council of governments “shall hold a public hearing to adopt a final allocation plan.” The council of governments must then submit the final allocation plan to HCD within 3 days of adoption. HCD has 30 days to determine if the final allocation plan is consistent with the regional housing need. (See Section 65584.05(g)). The council

of governments has final authority to determine the distribution of the region's housing needs "[t]o the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals." (See Section 65584.05(g)). HCD may revise the determination of the council of governments to obtain consistency with the existing and projected housing need for the region. (See Section 65584.05(g)).

B. SANDAG Appeal Process

SANDAG received four appeals during the appeals period of November 22, 2019 to January 6, 2020. Following close of business on January 6, 2020, the appeals were posted on [SANDAG's website](#) and distributed to the planning or community development directors of each local jurisdiction and the Board consistent with Section 65584.05(c).

SANDAG received five comment letters on the appeals during the appeals comment period from January 7, 2020 to February 21, 2020.

On February 7, 2020, SANDAG issued a notice of public hearing to consider appeals and comments on appeals at a meeting of the Board on February 28, 2020, pursuant to Section 65584.05(d), which was posted on the SANDAG website and published in two local newspapers. The Executive Committee, a committee of the Board responsible for setting Board agendas and providing direction to staff in preparing items for Board consideration, was scheduled to consider proposed RHNA Appeals Hearing Procedures at its meeting on [February 14, 2020](#). Prior to the Executive Committee meeting, three of the appealing jurisdictions submitted letters to SANDAG stating that individual notice of the proposed public hearing was not received 21 days in advance of the February 28, 2020, public hearing date. To ensure compliance with the requirements of Section 65584.05(d), at its February 14, 2020, meeting, the Executive Committee approved continuing the public hearing to March 27, 2020, in addition to approving the RHNA Appeals Hearing Procedures with modifications. At its meeting on February 28, 2020, the Board ratified the Executive Committee's actions.

On March 3, 2020, SANDAG issued a notice of the public hearing to consider appeals and comments on appeals on March 27, 2020, pursuant to Section 65584.05(d), which was provided to each jurisdiction, posted on SANDAG's website, and published in two local newspapers.

The Board conducted the public hearing at its meeting on [March 27, 2020](#).

IV. The City's Appeal

In a letter dated January 6, 2020, the City appealed the draft allocation. The grounds for appeal are as follows:

- (1) SANDAG failed to adequately consider the information submitted pursuant to Government Code Section 65584(b); and
- (2) SANDAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Government Code Section 65584(d).

A. Statutory Factors Under 65584.04(e)

1. Section 65584.04(e)(1): Jobs-Housing Relationship

Section 65584.04(e)(1) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate

subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

As described above, pursuant to Section 65584.04, SANDAG has been charged with developing the RHNA methodology in consultation with HCD. SANDAG has the discretion to develop this methodology so long as it meets all the procedural requirements under Section 65584, *et seq.*, and the methodology furthers the objectives in Section 65584(d) as ultimately determined by HCD. In compliance with the RHNA statute, SANDAG carefully developed its methodology with input from HCD and local jurisdictions.

The City asserts that the draft allocation is deficient because SANDAG failed to adequately consider military housing during the development of the methodology. Contrary to the City's assertions, SANDAG did in fact give due consideration to the issue of the military housing raised by the City. In the development of the methodology, members of the RHNA Subcommittee and the TWG participated in substantive discussion considering the exclusion of active duty military from the jobs data at the following noticed public meetings:

- [April 3, 2019, TWG Meeting](#) - Two committee members requested evaluating the impact on using data for civilian jobs as opposed to military jobs. Two other working group members discussed the jobs data source.
- [April 26, 2019, RHNA Subcommittee Meeting](#) - Three subcommittee members discussed whether to exclude active duty military jobs from total jobs count.
- [May 9, 2019, TWG Meeting](#) - Three working group members discussed whether to exclude active duty military jobs from total jobs count.
- [June 6, 2019, TWG Meeting](#) - One working group member discussed whether to exclude active duty military jobs.

Additionally, at the following noticed public meetings, members of the Board, the RHNA Subcommittee, and the TWG participated in substantive discussion considering reducing a jurisdiction's jobs count by the number of on-base military housing units within its jurisdiction, which became known as a "housed military adjustment":

- [May 24, 2019, RHNA Subcommittee Meeting](#) - Seven subcommittee members and one additional elected official discussed a potential of using a housed military adjustment.
- [June 6, 2019, TWG Meeting](#) - One working group member discussed a potential of using a housed military adjustment.
- [June 14, 2019, RHNA Subcommittee Meeting](#) - Six subcommittee members discussed the housed military adjustment for over 1 hour; the RHNA Subcommittee voted to recommend a methodology with the housed military adjustment to the Board.
- [June 27, 2019, TWG Meeting](#) - Four working group members discussed the housed military adjustment.
- [July 26, 2019, Board Meeting](#) - One public speaker and nine Board members discussed the housed military adjustment.

- [September 6, 2019, Board Meeting](#) – Two public speakers and three Board members discussed the housed military adjustment.

In fact, the City's own appeal demonstrates that SANDAG considered the housed military adjustment at length. As noted in the City's appeal, the Board rejected the draft methodology recommended to the Board by the RHNA Subcommittee that incorporated the housed military adjustment. At its July 26, 2019, meeting where the RHNA Subcommittee's recommendation was considered, the Board discussed the housed military adjustment for approximately 30 minutes during its 2-hour consideration of the draft methodology before voting to release a draft for public comment that did not include the adjustment.

As several Board members noted, every jurisdiction in the region could identify carve outs from the methodology to address the unique circumstances facing their communities: "Each and every one of us across this table could come up with valid reason[s] why we – there should be some carve out or cut out for our region or area. I can think of, as the councilmember of District 4, about 5 reasons in my own district and there are 9 districts in the City [of San Diego] and so with that I think we are, we would be approving what could potentially be a slippery slope and from a technical standpoint don't think we should do that." (Board meeting on July 26, 2019 (1:37:10 in meeting audio)).

On September 6, 2019, the Board again considered the housed military adjustment in the context of carve outs for individual jurisdictions during its public hearing on the draft methodology and voted to submit the methodology without the housed military adjustment to HCD for review. Approximately 30 minutes were dedicated to robust discussion around the merits of submitting a draft methodology without carve outs for individual jurisdictions that would dilute the guiding principles of collocating housing near the region's jobs and established transit infrastructure to reduce vehicle miles traveled and greenhouse gas emissions.

Ultimately, in its discretion, the Board adopted a final methodology that did not include the housed military adjustment. Nuanced adjustments that may have modified the methodology in marginal ways in relation to the overall objectives and factors would likely result in a similar allocation because units being shifted away from one jurisdiction must necessarily be shifted toward others. At the close of the process, the Board was concerned that the methodology would be consumed by the 19 jurisdictions' "rational" exceptions based on unique community characteristics and the objectives identified by state law would be no better served.

As demonstrated above, the Board adequately considered both the exclusion of active duty military from the jobs data and the housed military adjustment and adopted the Final Methodology prioritizing jurisdictions' share of transit and jobs to allocate the region's housing needs in furtherance of the objectives listed in Section 65584.

The City also asserts that the jobs data used in the methodology has not been verified and points out that at a July 26, 2019, meeting, Joe Stuyvesant from the Navy had different military housing data. Specific to the housing data, prior to release of the draft methodology for public comment, SANDAG staff worked closely with members of the Naval Facilities Engineering Command (NAVFAC) Southwest to gather and verify military housing data. After the July 26, 2019, meeting of the Board, NAVFAC staff were again consulted concerning the military housing data and confirmed that the housing data used in the draft methodology recommended by the RHNA Subcommittee was accurate. While there is some off-base military housing associated with Naval Base Coronado in other jurisdictions, the off-base military housing was not used in the housed military adjustment proposed by the RHNA Subcommittee because the housing is not restricted to military personnel from Naval Base Coronado installations. Residents of off-base housing may

be employed at any of the military installations in the region. Because the Board voted for a final methodology which did not include an adjustment for housed military, the military housing data is not used in the draft allocation.

With respect to the jobs data, in defining the data sources available during the development of the methodology, SANDAG performed extensive stakeholder outreach. The data source for the jobs component of the methodology is the SANDAG Employment Estimates, which are also being used to develop the latest Regional Growth Forecast. SANDAG Employment Estimates are derived from Quarterly Census of Employment and Wages (QCEW) data from the Economic Development Department (EDD) and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES) data from the Center for Economic Studies at the U.S. Census Bureau.

The LODES data combines federal, state, and Census Bureau survey data on employers and employees. SANDAG uses the QCEW dataset for its detailed geographic information on businesses to geolocate “job spaces” throughout the region. The LODES data (average of the last five years), which are available at the census block level, are used to fill the job spaces to determine total jobs within various geographies. SANDAG Employment Estimates are also supplemented by other data sources including the San Diego Military Advisory Council (SDMAC) and Defense Manpower Data Center (DMDC). Finally, the jobs data are validated against published job totals for the County from the EDD Labor Market Information’s yearly data.

Specific to the military jobs data, the DMDC produces an annual demographic report on the military population, which includes a breakdown of active duty military personnel by installation in the United States. Of the multiple installations that form Naval Base Coronado, only Naval Air Station North Island (NASNI) and Coronado Naval Amphibious Base (NAB) are included in the report with associated personnel data. The report notes that bases with fewer than 100 active duty personnel are not individually reported and are instead rolled up into an “other” category for the relevant state. SANDAG used the active duty personnel data for NASNI and NAB in the calculation to determine the City’s total jobs. SANDAG confirmed with NAVFAC that active duty personnel data for NASNI and NAB do not include data for any other installation comprising Naval Base Coronado that may lie outside the City’s jurisdictional boundaries. During this subsequent discussion with NAVFAC, however, it became clear that the jobs data for the Silver Strand Training Complex, located in the City, was not aligned with the DMDC.⁷ For this reason, the City’s total jobs figure is reduced by 175 jobs and the allocation in the proposed final RHNA Plan corrected accordingly.⁸

The City also argues that its share of the regional housing need was not determined in accordance with the methodology because all military jobs (active duty personnel and civilian Department of Defense jobs) associated with NASNI have been erroneously assigned to the City.

⁷ The Silver Strand Training Complex (SSTC) has at most 99 active duty military jobs. Similarly, Naval Outlying Landing Field (NOLF) in the City of Imperial Beach also has at most 99 active duty military jobs according to the DMDC data. The total jobs data had erroneously treated both the SSTC and NOLF as remote stations of Naval Base San Diego at 32nd Street and redistributed a portion of the jobs at the 32nd Street installation located in the City of San Diego to SSTC and NOLF. As such, the jobs previously assigned to these two installations will be properly attributed to the City of San Diego as part of the 32nd Street installation.

⁸ The total jobs count for the City of Imperial Beach and the City of San Diego will also be corrected in the proposed final RHNA Plan.

The City asserts that a portion of NASNI is located in the City of San Diego and “the proposed allocation does not allocate any NASNI jobs to the City of San Diego.” (City’s Appeal, p. 2). While assigning all jobs attributed to NASNI may be consistent with the approach used for Naval Base San Diego 32nd Street,⁹ after further analysis, the City’s requested revision is consistent with a plain reading of the final methodology. Therefore, the City’s total jobs count is reduced by an additional 2,270 and the allocation in the proposed final RHNA Plan corrected accordingly.¹⁰

2. Section 65584.04(e)(2): Opportunities and Constraints to Development

The City argues that the draft RHNA allocation fails to adequately account for its unique constraints to development and submits the following documentation in support of its claim.

Land Use Constraint	Acreage
APZ I (Accident Potential Zone)	174
APZ II	22
Airport Clear Zone	78
Historic Designation	86
Commercial Recreation Zone (Coronado Shores, Coronado Yacht Club, Recreation areas)	16
Civic Uses	42
Visitors Serving Hotel/Motel Zone	49
Parks and Designated Open Spaces	297
TOTAL	764 Acres (1.2 square-miles)

City’s Appeal, p. 4

However, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). In fact, HCD noted in its [letter dated November 1, 2019 \(p. 1-2\)](#) that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.” Because consideration of existing zoning ordinances and land use restrictions is specifically prohibited by state law, the facts raised by the City do not support this ground for appeal.

⁹ Naval Base San Diego 32nd Street installation is the only other military installation in the region which exists across jurisdictional boundaries. For the 32nd Street base, the division of jobs between the City of San Diego and the City of National City was based on the share of traffic passing through each of the installation’s security gates as determined from a 2015 military gate count survey conducted by SANDAG to inform updates to the SANDAG Activity Based Model. Based on these comparable data for the other affected jurisdictions, the division of jobs associated with NASNI was determined consistent because all access to NASNI is within the City of Coronado.

¹⁰ Approximately 80.5 percent of the land area of NASNI is within the City and 19.5 percent is within the City of San Diego. The jobs at NASNI (7,223 active duty personnel and 4,417 civilian Department of Defense jobs) have been reassigned to the City and the City of San Diego proportionate to the share of land area within each jurisdiction. Therefore, the City’s jobs count is reduced by the 2,270 jobs at NASNI that have been reassigned to the City of San Diego.

The City also argues that planning for the housing units in the draft allocation would require the City to violate the Coastal Act, or alternatively, to significantly overhaul the City's certified Local Coastal Program. As mentioned above, SANDAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions." (See Section 65584.04 (e)(2)(B)).

Additionally, the Coastal Commission recently commented on the City's assertion in the San Diego Union Tribune¹¹:

In a statement, Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn't mean that there are not areas within the coastal zone where significant increases in housing density are possible.

"To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate," he wrote. "Over the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments."

While the legislative priorities under the Coastal Act may be different from the state law governing RHNA, this can be said about other statutory schemes affecting local land use. Consistent with past cycles of RHNA, a jurisdiction wholly or partly in the coastal zone must work with the Coastal Commission when updating the housing element in its general plan.

In addition, the City has failed to submit a specific revision to the allocation based on their Local Coastal Program. Because a specific revision was not submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, or whether the revision would be necessary to further the intent of the statutory objectives.

3. Section 65584.04(e)(9): Housing Needs of Universities and Colleges

The City asserts that Section 65584.04(e)(9) requires SANDAG to consider the housing needs of colleges and universities "as a separate factor or an adjustment in the allocations." (City's Appeal, p. 5). State law makes no such mandate. Rather, it states:

- (e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

...

¹¹ "San Diego County cities push back on state-mandated housing goals." San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

On page 18, the Final Methodology specifically describes the data and assumptions included to develop the methodology that consider the housing needs generated by a private university or campus of the California State University or the University of California. Because the major universities and community colleges in the San Diego region are located in urban areas served by the existing transportation network, prioritizing transit in the methodology encourages housing development near existing transit facilities serving these key destinations. The City of San Diego is home to San Diego State University; University of California San Diego; University of San Diego; Point Loma Nazarene University; various smaller, private universities; and three community colleges: San Diego City College, San Diego Mesa College, and San Diego Miramar College. It also has the greatest share of the region's transportation system in part because of transportation investments near universities and colleges located within its jurisdiction. Similarly, the cities of Chula Vista (Southwestern Community College), El Cajon (Cuyamaca College), Oceanside (Mira Costa College), and San Marcos (California State University San Marcos and Palomar College) have made transportation investments to improve access to transit near colleges and universities.

Additionally, the methodology includes a jobs component in furtherance of promoting an improved intraregional relationship between jobs and housing consistent with Section 65584(d)(3). The major universities in the region are also key employers and jobs associated with those institutions are included in the methodology. As such, both the transit and jobs components address the housing needs generated by students, faculty, and staff at private universities and campuses of the California State University or the University of California within each affected jurisdiction.

Importantly, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of universities and colleges within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

4. [Section 65584.04\(e\)\(12\)](#)¹²: [Other Factors and Furtherance of Statutory Objectives](#)
The City asserts that "SANDAG could have adopted [a methodology] over any HCD objection under Government Code Section 65584.04(i)(2)." (City's Appeal, p. 6). The City's argument based on Section 65584.04(e)(12) is premised on an erroneous statement of facts and interpretation of law. By ending its analysis of HCD's RHNA oversight at Section 65584.04, the City fails to recognize the import of recent statutory changes to the housing laws. Effective January 1, 2019, following adoption of a final methodology not only may local jurisdictions appeal the draft allocation, but also HCD "may appeal to the council of governments or the delegate subregion for a revision of the share of the regional housing need proposed to be allocated to one or more local governments" (Section 65584.05(b)). In fact, SANDAG has final authority to determine the distribution of the region's housing need only to the extent it has allocated the entire regional share of the statewide housing need, and "has taken into account all appeals." HCD, notably, "may revise the determination of the council of governments if

¹² This subsection is now at Section 65584.04(e)(13) following revisions to the law effective January 1, 2020.

necessary to obtain” consistency with the existing and projected housing need for the region (Section 65584.05(g)).

The City also asserts that “[t]he factors that SANDAG applied under Government Code Section 65584.04(e)(12) successfully in past cycles should be used to revise the draft allocation to bring it into line with RHNA’s statutory objectives” (City Appeal, p. 6). First, SANDAG did not adopt any other factors under Section 65584.04(e)(12). Furthermore, the City’s assertion based on Section 65584.04(e)(12) again is premised on an erroneous statement of facts and interpretation of law. Section 65584.04(e)(12) in its current form did not exist in prior RHNA cycles; the Legislature substantively amended this section of state law effective January 1, 2019, as illustrated below by the language in bold:

(12) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

To state that prior cycle factors could be incorporated into this RHNA cycle by virtue of their success in the past ignores the *current* language of Section 65584.04(e)(12). To the extent the City is requesting to modify the draft allocation by incorporating unidentified, prior cycle factors, this request is necessarily deficient because it has not provided adequate supporting documentation and SANDAG cannot determine whether it is based on comparable data for all affected jurisdictions or accepted planning methodology. In addition, the City has not provided any statement as to why the revision is necessary to further the intent of the objectives in state law (Section 65584.05(b)).

The City asserts that SANDAG did not adequately consider “the desire of other member agencies to absorb additional units that cannot be accommodated in jurisdictions like Coronado.” (City’s Appeal, p. 6).

At its September 14, 2018, meeting, the Board expressed a desire to take a different approach than the methodology used in the 5th Cycle by not relying on existing housing capacities as a starting point. Notwithstanding, members of the RHNA Subcommittee and the Board discussed the concept of trading housing units among jurisdictions at the following noticed public meetings:

- [June 14, 2019, RHNA Subcommittee Meeting](#) – Three Board members discussed trading housing units among jurisdictions
- [November 22, 2019, Board Meeting](#) – One Board member discussed taking on housing units from other jurisdictions.

As one RHNA Subcommittee member noted, “[i]n the perfect world, where we didn’t need to have a methodology that made sense, I would say ‘Sure, I’ll take 500 of your units [...] because Coronado’s unique’ but we can’t do that because it would ruin the integrity of our methodology.” (RHNA Subcommittee meeting on June 14, 2019 (0:54:29 in meeting audio)).

Furthermore, the City has not provided adequate documentation supporting this request. SANDAG cannot determine whether it is based upon comparable data available for all affected jurisdictions or accepted planning methodology. The City has also failed to demonstrate that an adjustment to the allocation to accommodate other jurisdictions' willingness to "absorb additional units" is necessary to further the intent of the statutory objectives.

In support of its assertions above, the City also cites to the increase in units proposed to be allocated in the 6th Cycle compared to the 5th Cycle as evidence of a defective draft allocation; however, the increase is a direct reflection of the refocused state priorities in the area of housing. In 2018 and 2019, the Legislature enacted major changes to the housing laws affecting RHNA. Specifically, the Legislature determined that "insufficient housing in job centers hinders the state's environmental quality and runs counter to the state's environmental goals. In particular, when Californians seeking affordable housing are forced to drive longer distances to work, an increased amount of greenhouse gases and other pollutants is released and puts in jeopardy the achievement of the state's climate goals, as established pursuant to Section 38566 of the Health and Safety Code, and clean air goals." See Section 65584(a)(3). The final methodology does just that by prioritizing access to transit and jobs as determinants of the draft allocation.

In an attachment to the City's appeal, it also states that it supports the small cities adjustment as proposed by the City of Solana Beach at the September 6, 2019, meeting of the Board. To the extent the City is also requesting that the draft allocation be modified consistent with the small cities adjustment, SANDAG adequately considered the request from the City of Solana Beach. Several SANDAG Board members requested staff apply a methodology that recognizes challenges for small cities by potentially reducing the number of housing units based on the population of the jurisdiction. The proposed small cities adjustment was considered in several comment letters during the public comment period and also discussed at the following public meetings:

- (1) [July 26, 2019, Board Meeting](#) – Two board members discussed the potential for a small cities adjustment.
- (2) [September 6, 2019, Board Meeting](#) – Eight board members discussed the potential for a small cities adjustment.

SANDAG staff also consulted with HCD¹³ on the potential for small cities to receive a reduced allocation. HCD did not support an adjustment based on the population of a city rather than based on the objectives in state law. Ultimately, the Board voted not to include the small cities adjustment in the final methodology.

B. Statutory Objectives Under Section 65584(d)

1. Section 65584(d)(1): Increasing the Housing Supply
Section 65584(d)(1) states:

The regional housing needs allocation plan shall further all of the following objectives:

¹³ Section 65584.04(h) states that the methodology must be published on SANDAG's website and submitted to HCD after making revisions resulting from comments received during the public comment period and "as a result of consultation with [HCD]."

(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. . . .

The City argues that the draft allocation does not assign housing units in an equitable manner because the significant increase in the City's housing unit allocation through the 5th Cycle as compared to the 6th Cycle is disproportionately higher than the increase in housing unit allocation for other jurisdictions in the region. The 5th Cycle, however, used a completely different methodology based on general plan capacities. In contrast, the 6th Cycle methodology and its draft allocation address the statutory objectives set forth by the Legislature by encouraging housing development near jobs and transit, which will provide the region's residents with opportunities to live where they work and readily access transit.

Consistent with this statutory objective, the draft allocation distributes housing units in all four income categories to each of the region's 19 jurisdictions. The draft allocation does so equitably by ensuring each jurisdiction receives an allocation for low- and very low income units, and further, allocating a higher share of low- and very low income units to jurisdictions that currently have a smaller share of low- and very low income households than the regional share. Because state law requires jurisdictions to zone at higher densities to accommodate their low- and very low income housing unit allocations, the mix of housing types will also increase.

The City also asserts that the draft allocation erroneously assigns all jobs associated with NASNI to the City of Coronado. As discussed in more detail above, the City's total jobs count is being reduced and the allocation in the proposed final RHNA Plan corrected accordingly.

2. Section 65584(d)(3): Intra-regional Jobs-Housing Relationship

Section 65584(d)(3) requires that the RHNA Plan further the following objective:

(3) Promoting an improved intra-regional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

The City asserts that "most active duty military personnel already have government funded housing." (City's Appeal, p. 6). The revised jobs data, as described above, indicates there are 11,132 active duty military jobs in the City. Based on data from NAVFAC Southwest, there are 5,806 barracks units and 54 family housing units on NASNI and 43 family housing units on Naval Amphibious Base Coronado for a total of 5,903 military housing units located in the City. If one active duty military job were attributed to one on-base housing unit, this still leaves more than half (53%) of the active duty military personnel without available housing on-base. The City has not provided differing military jobs or housing data.

The City also asserts that "construction of new housing in Coronado will not promote an improved intra-regional relationship between jobs and housing" because "people who enlist in the Navy cannot choose where they wish to be stationed or deployed." (City's Appeal, p. 6). It is unclear how this contention supports the City's assertion. Active duty personnel stationed at a Coronado installation who do not benefit from on-base housing must choose to live somewhere else. Even the City's representative on the RHNA Subcommittee identified the issue of housing for military personnel: "If our objective is to really provide workforce-type housing, and you look at those military jobs . . . if you're looking at Coronado or Imperial Beach . . . you could add 2,000 more homes to Coronado, the average sailor is not going to be able to afford those." (RHNA Subcommittee Meeting on May 24, 2019 (0:46:27 in meeting audio). It is for that

very reason that construction of new very low, low, and moderate income housing to accommodate those jobs would increase the housing supply and promote an improved intraregional relationship between jobs and housing, thereby reducing the need to drive longer distances to work in furtherance of the state’s environmental goals. As such, the City has failed to demonstrate that adjusting the allocation by excluding active duty military jobs from the total jobs data is necessary to further the intent of the statutory objectives.

C. Significant and Unforeseen Change in Circumstances

The City also submitted letters during the appeals comment period requesting that SANDAG consider a new California Department of Finance (DOF) population projection released in January 2020. A prior DOF population projection was used by HCD in developing the RHNA Determination. On February 6, 2020, SANDAG staff discussed the new DOF population projection with HCD to determine how it might affect the 6th Cycle RHNA. HCD stated that the RHNA statutes do not provide a process for revising a RHNA Determination once it is final. Section 65584.01(a) provides that “[t]he department’s determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” The RHNA Determination is produced by HCD based on the data available during the consultation process pursuant to Section 65584.01 and is not revised for either increased or decreased population estimates subsequently released. As such, SANDAG finds that the new DOF population projection does not constitute a “significant or unforeseen change in circumstances [that] has occurred in the local jurisdiction or jurisdictions . . .” See Section 65584.05(b)(3).

V. Conclusion

The City requests that SANDAG modify the draft allocation by excluding active duty military jobs in the City’s jobs count and either (1) redistribute the units allocated to those jobs on a regional basis, or (2) redistribute the units allocated to those jobs to other member cities that have unmet housing capacity from past housing element update cycles¹⁴. While not specifically included in the paragraph titled “The City’s Allocation Request” on page 7 of the City’s appeal, SANDAG also has considered the City’s requests to (a) exclude housed military from the jobs data, (b) reassign jobs attributed to the City of Coronado to the City of San Diego, (c) adjust the allocation to accommodate the City’s existing zoning and Local Coastal Program, (d) adjust the allocation to accommodate units for cities with college and university campuses, and (e) adjust the allocation to reflect other jurisdictions’ willingness to absorb additional units.

Based on the discussion above, SANDAG (1) modifies the City’s allocation based on a correction to the jobs data attributed to NASNI and the SSTC finding that the revision is necessary to further the objectives listed in Section 65584(d), and (2) finds that the remaining revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the remaining requests for a revised share of the regional housing need in the City’s appeal. Based on the reduction of 2,445 jobs from the City’s total jobs count, the City’s allocation is adjusted as follows:

	Very Low	Low	Moderate	Above Moderate	Total Allocation
Coronado	312	169	159	272	912

¹⁴ It is important to note that Section 65584.04(g) prohibits SANDAG from considering prior underproduction of housing in a city or county from the previous regional housing need allocation in determining a jurisdiction’s share of the regional housing need.

DRAFT

San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Imperial Beach

The City of Imperial Beach (City) has appealed its draft Regional Housing Needs Assessment (RHNA) allocation. The following constitutes the final determination of the San Diego Association of Governments (SANDAG) Board of Directors regarding the City's appeal. This final determination is based on the information and methodology described in California Government Code Section 65584.04,¹ the information presented in the appeal, all comments received regarding the appeal, and information received during the public hearing.

I. Statutory Background

The California Legislature developed the RHNA process in 1977 to address the affordable housing shortage in California. The RHNA process is codified in state law at Section 65580, et seq. Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

See Section 65580.

¹ All statutory references are to the California Government Code unless otherwise noted.

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

See Section 65581.

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Section 65300). A general plan consists of many planning elements, including an element for housing (See Section 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state (Section 65584(a)). HCD's determination must be based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. (See Section 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD's failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). Within 45 days of receiving the council of governments objection, HCD must "make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made." (See Section 65584.01).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following objectives:

- (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.

- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (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 American Community Survey.
- (5) Affirmatively furthering fair housing.

See Section 65584(b).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- (1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
 - (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
 - (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.
 - (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or

preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- (4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- (6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- (7) The rate of overcrowding.
- (8) The housing needs of farmworkers.
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
- (11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.
- (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
- (13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle.

See Section 65584.04(g).

Finally, Section 65584.04(m) requires that the final RHNA Plan, which includes both the methodology and the allocation, is consistent with the development pattern included in the region's sustainable communities strategy, distributes the entire regional housing need determined under Section 65584, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d).

C. Public Participation

Government Code Section 65584.04(d) states that "public participation and access shall be required in the development of the methodology." The council of governments is required to "explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584" (See Section 65584.04(f)) as well as explain "how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology" (See Section 65584.04(d)). The proposed methodology, "this information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments' or delegate subregion's, internet website." (See Section 65584.04(f)).

The council of governments is required to open the proposed methodology to public comment and "conduct at least one public hearing to receive oral and written comments on the proposed methodology." (See Section 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Section 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to "whether the methodology furthers the objectives listed in subdivision (d) of Section 65584." (See Section 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions "and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD]." (See Section 65584.04(i)). Upon adoption of the final methodology, the council of governments "shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website." (See Section 65584.04(k)).

E. RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD, and shall publish the draft allocation on its website. (See Section 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Section 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Section 65584.04(m)(3); Section 65584.045).

II. SANDAG Oversight of the 6th Cycle RHNA Process

A. RHNA Determination

SANDAG began consultation with HCD for the 6th Cycle RHNA process in April 2017. The consultation process included a review of HCD's calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG)², Regional Planning Committee (RPC)³, and the Board⁴.

In March 2018, SANDAG received a draft RHNA Determination from HCD. Consistent with Section 65584.01, HCD used the following data to prepare the draft RHNA Determination for the San Diego region:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter's households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

At its meeting on [May 4, 2018](#), the RPC considered potential changes to the draft RHNA Determination that could be proposed to HCD reflecting factors unique to housing in the San Diego region. The RPC recommended that the Board accept the draft RHNA Determination without modifications.

At its [May 11, 2018](#), meeting, the Board authorized the Executive Director to submit comments to HCD outlining suggested revisions to the RHNA Determination. Then on May 25, 2018, the Board voted to place this item on a future agenda for further discussion before submitting comments to HCD. On [June 8, 2018](#), the Board amended its May 11, 2018, action and directed staff to submit a letter to HCD accepting the draft RHNA Determination. Following [SANDAG's acceptance](#) of the draft RHNA Determination, the consultation process concluded when HCD submitted the final RHNA Determination in a [letter to SANDAG dated July 5, 2018](#).

² SANDAG staff presented information related to the RHNA Determination to the TWG at its [March 26, 2018](#), and [April 12, 2018](#), meetings.

³ SANDAG staff presented information related to the RHNA Determination to the RPC at its [April 6, 2018](#), and [May 4, 2018](#), meetings.

⁴ SANDAG staff presented information related to the RHNA Determination to the Board at its [March 9, 2018](#), [May 11, 2018](#), and [June 8, 2018](#), meetings.

The final RHNA Determination requires SANDAG and its member agencies to plan for 171,685 total housing units through the 2021-2029 planning period to address the region's housing needs.

B. RHNA Methodology and Public Participation

At its [September 14, 2018](#) meeting the Board was surveyed to determine each jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The Board expressed a desire to take a different approach than what had been used in previous housing element cycles and wanted to play a bigger role in the development of the methodology. This culminated in the formation of the RHNA Subcommittee in December 2018, which included members of the Board from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. The Board also requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members.

The RHNA Subcommittee began meeting in early 2019. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a RHNA methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings⁵ in spring and summer 2019, prior to the Board's release of the draft methodology for public comment. All meetings were noticed and open to the public.

SANDAG staff also solicited input on the development of the methodology from the TWG, whose membership is described above. The TWG advises the RPC and Board on the development and implementation of San Diego Forward: the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology over 12 meetings⁶ from August 2018 to November 2019, including two workshops specifically focused on RHNA.

Attendees at the meetings of the Board, RHNA Subcommittee, RPC, and TWG provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the outreach process. In addition to addressing comments at public meetings, SANDAG staff responded to comments and questions related to the development of the methodology via phone calls and emails, which led to the creation of Frequently Asked Questions that were posted to the SANDAG website. Staff also presented at city council meetings upon request.

On [July 26, 2019](#), the Board released the draft methodology for public comment. At the end of a 42-day public comment period, SANDAG conducted a public hearing on [September 6, 2019](#). SANDAG received nearly 2,200 [public comments](#). During the public comment period, SANDAG compiled and posted on its website [supplemental information](#) requested by Board members, a list of [Frequently Asked Questions \(FAQs\)](#), and a [response to comments received during the public comment period](#).

On September 6, 2019, the Board authorized staff to submit the draft methodology to HCD for review. In a [letter dated November 1, 2019](#), HCD found that the draft methodology furthers the objectives in state law. At its November 22, 2019, meeting, the Board adopted by [resolution](#) the [final](#)

⁵ The RHNA Subcommittee met on [February 8, 2019](#), [February 22, 2019](#), [March 22, 2019](#), [April 26, 2019](#), [May 24, 2019](#), and [June 14, 2019](#).

⁶ The TWG discussed RHNA at the following meetings: [August 9, 2018](#), [October 11, 2018](#), [December 13, 2018](#), [January 10, 2019](#), [February 14, 2019](#), [March 14, 2019](#), [April 3, 2019](#), [May 9, 2019](#), [June 6, 2019](#), [June 13, 2019](#), [June 27, 2019](#), and [November 14, 2019](#).

methodology and released the draft allocation. Following the Board meeting, the draft allocation was posted on the SANDAG website and distributed to each jurisdiction and HCD.

III. RHNA Appeal Process

A. Statutory Background

Under Section 65584.05(b), a local government or HCD may appeal the council of governments within 45 days following receipt of the draft allocation “for a revision of the share of the regional housing need proposed to be allocated to one or more local governments.” Appeals “shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.” Appeals also shall be consistent with the sustainable communities strategy included in the regional transportation plan (See Section 65584.05(b)). In accordance with Section 65584.05(b), appeals are limited to the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

Following the 45-day period for filing an appeal, the council of governments “shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website.” (See Section 65584.05(c)). Local governments and HCD may, within 45 days, comment on one or more appeals.

Within 30 days of the end of the appeals comment period, and with at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).” (See Section 65584.05(d)). Within 45 days of the public hearing to consider appeals, the council of governments is required to make a written final determination for each appeal filed that either accepts, rejects, or modifies the appeal and issue a proposed final allocation plan (See Section 65584.05(e)). The written finding(s) must describe how the determination is consistent with Section 65584.05.

If a final determination on an appeal requires the council of governments to adjust the allocation to one or more local governments that are not the subject of an appeal, Section 65584.05(f) provides: (1) if the adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those housing units proportionally to all local jurisdictions; or (2) if the adjustment totals more than 7 percent of the regional housing need, then the council of governments shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need established under Section 65584.01. (See Section 65584.05(f))

Within 45 days after issuing the proposed final allocation plan, the council of governments “shall hold a public hearing to adopt a final allocation plan.” The council of governments must then submit the final allocation plan to HCD within 3 days of adoption. HCD has 30 days to determine if the final allocation plan is consistent with the regional housing need. (See Section 65584.05(g)). The council of governments has final authority to determine the distribution of the region’s housing needs “[t]o the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals.” (See Section 65584.05(g)). HCD may revise the determination of the council of governments to obtain consistency with the existing and projected housing need for the region. (See Section 65584.05(g)).

B. SANDAG Appeal Process

SANDAG received four appeals during the appeals period of November 22, 2019 to January 6, 2020. Following close of business on January 6, 2020, the appeals were posted on [SANDAG's website](#) and distributed to the planning or community development directors of each local jurisdiction and the Board consistent with Section 65584.05(c).

SANDAG received five comment letters on the appeals during the appeals comment period from January 7, 2020 to February 21, 2020.

On February 7, 2020, SANDAG issued a notice of public hearing to consider appeals and comments on appeals at a meeting of the Board on February 28, 2020, pursuant to Section 65584.05(d), which was posted on the SANDAG website and published in two local newspapers. The Executive Committee, a committee of the Board responsible for setting Board agendas and providing direction to staff in preparing items for Board consideration, was scheduled to consider proposed RHNA Appeals Hearing Procedures at its meeting on [February 14, 2020](#). Prior to the Executive Committee meeting, three of the appealing jurisdictions submitted letters to SANDAG stating that individual notice of the proposed public hearing was not received 21 days in advance of the February 28, 2020, public hearing date. To ensure compliance with the requirements of Section 65584.05(d), at its February 14, 2020, meeting, the Executive Committee approved continuing the public hearing to March 27, 2020, in addition to approving the RHNA Appeals Hearing Procedures with modifications. At its meeting on February 28, 2020, the Board ratified the Executive Committee’s actions.

On March 3, 2020, SANDAG issued a notice of the public hearing to consider appeals and comments on appeals on March 27, 2020, pursuant to Section 65584.05(d), which was provided to each jurisdiction, posted on SANDAG’s website, and published in two local newspapers.

The Board conducted the public hearing at its meeting on [March 27, 2020](#).

IV. The City’s Appeal

In a letter dated December 12, 2019, the City appealed the draft allocation. The grounds for appeal⁷ are as follows:

⁷ Jurisdictions may also appeal on the ground that a significant and unforeseen change in circumstances in the jurisdiction merits a revision to the information submitted pursuant to Section 65584.04(b). See Section 65584.05(b)(3). SANDAG received multiple letters during the appeals comment period requesting that SANDAG consider a new California Department of Finance (DOF) population projection released in January 2020. A prior DOF population projection was used by HCD in developing the RHNA Determination. On February 6, 2020, staff discussed the new DOF population projection with HCD to determine how it might affect the 6th Cycle RHNA. HCD stated that the RHNA statutes do not provide a process for revising a RHNA

- (1) SANDAG failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) SANDAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.

A. Statutory Objectives Under Section 65584(d)

1. Section 65584(d)(1): Increasing the Housing Supply

Section 65584(d)(1) states:

The regional housing needs allocation plan shall further all of the following objectives:

- (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. . . .

The City asserts that 95% of housing units allocated based on a jurisdiction's share of major transit stops are allocated south of Interstate 8 (I-8), "which comprises only about 25% of the County," while only 5% of housing units are allocated north of I-8. (City's Appeal, p. 1). The City also asserts that given there are only 4 of the County's 18 incorporated cities located south of I-8 (Imperial Beach, National City, Chula Vista and portions of San Diego), the methodology exacerbates the concentration of low income housing in communities that already have more affordable housing than the regional average. However, the City is focusing on a subcomponent of the methodology that would allocate only 16% of the entire regional housing need. Jurisdictions' share of regional transit services accounts for 65% of the total draft allocation of housing units. Of these units, 25% are allocated based on major transit stops within a jurisdiction ($65\% \times 25\% = 16\%$) and 75% are allocated based on rail and *Rapid* stations within a jurisdiction. When looking at the transit component as a whole, the cities of Chula Vista, Imperial Beach, and National City, and portions of the City of San Diego south of I-8, would receive about 57%⁸ of the housing units allocated based on transit, not a staggering 95%.

Moreover, the claim that using major transit stops "exacerbates the concentration of low-income housing in communities that currently already have more affordable housing than average" (City's Appeal, p. 1) is not supported in the appeal by

Determination once it is final. Section 65584.01(a) provides that "[t]he department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments." The final RHNA Determination is produced by HCD based on the data available during the consultation process pursuant to Section 65584.01 and is not revised for either increased or decreased population estimates subsequently released. As such, SANDAG finds that the new DOF estimates do not constitute a "significant or unforeseen change in circumstances [that] has occurred in the local jurisdiction or jurisdictions . . ." See Section 65584.05(b)(3).

⁸ This is based on visual confirmation of the location of rail and *Rapid* stations and major transit stops on a map relative to the I-8. North of the I-8, there are 86 rail & *Rapid* stations and 5 major transit stops. South of the I-8, there are 68 rail & *Rapid* stations and 135 major transit stops.

documentation or additional data. In fact, about 26% of the City's proposed allocation would be in the very low and low income range compared with the regional proportion of about 40%⁹.

Consistent with this statutory objective, the draft allocation distributes housing units in all four income categories to each of the region's 19 jurisdictions. The draft allocation does so equitably, ensuring each jurisdiction receives an allocation for low- and very low income units, and further, allocating a higher share of low- and very low units to jurisdictions that currently have a smaller share of low- and very low income households than the regional share. Because state law requires jurisdictions to zone at higher densities to accommodate their low- and very low income housing allocations, the mix of housing types will also increase.

2. Section 65584(d)(2): Promote Infill Development

Section 65584(d)(2) requires that the RHNA Plan further the following objective:

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The City states that "the major job centers in San Diego County [are] located north of Interstate 8" (City's Appeal, p. 2), therefore the vehicle miles traveled (VMT) by residents south of I-8 will be disproportionately increased by the draft allocation. The City fails to recognize, however, that the draft allocation distributes housing units based on the City's share of jobs in the region. As such, the City would be allocated housing units based on the number of jobs *within its own boundaries*. Other jurisdictions with "major job centers" would also be allocated housing units based on the number of jobs within their boundaries. As such, it is unclear how the draft allocation would result in a disproportional allocation to the City based on the major job centers in the region.

The City again states that 95% of housing units are distributed among 4 communities south of I-8 based on major transit stops. The transit component, however, includes both rail and *Rapid* stations in addition to major transit stops. When looking at the transit component as a whole, housing units are allocated to 16 of the 19 jurisdictions based on transit and, as discussed above, the cities of Chula Vista, Imperial Beach, and National City, and portions of the City of San Diego south of I-8, would receive about 57% of the housing units allocated based on transit.

Consistent with this statutory objective, by prioritizing transit (and jobs), the methodology encourages efficient development patterns and reduces greenhouse gas (GHG) emissions. An allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space (See Final Methodology, p. 11). More specifically, placing residents near jobs and transit is consistent with the California Air Resource's Board's (CARB's) identified policy goals and guidance detailed in the [2017 Climate Change Scoping Plan](#) (Scoping Plan). The Scoping Plan proposes to strengthen major programs related to climate impacts and further integrate efforts to reduce both GHG emissions and air pollution. Among CARB's Vibrant

⁹ HCD's July 5, 2018, letter containing SANDAG' 6th Cycle Final Regional Housing Need Determination.

Communities and Landscapes / VMT Reduction Goals identified to reduce GHG emissions from the transportation sector are the following:

- Promote all feasible policies to reduce VMT, including:
 - Land use and community design that reduce VMT,
 - Transit oriented development,
 - Complete street design policies that prioritize transit, biking, and walking, and
 - Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities.
- Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use.
- Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the “first mile, last mile” gap between commuters’ transit stops and their destinations.
- Continue research and development on transportation system infrastructure, including:
 - Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and
 - Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use.
- Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent, and for a walk and bike mode share of between 10 percent and 15 percent (Scoping Plan, p.76).

The Scoping Plan goes on to state that “compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are [] not modeled but are important co-benefits of the overall transportation sector strategy” (Scoping Plan, p. 77). Because the draft allocation encourages the development of housing near jobs and transit, it will provide the region’s residents with opportunities to live where they work and readily access transit, which can facilitate shorter commutes, reduce VMT, and increase trip-taking by transit or alternative modes.

3. Section 65584(d)(3): Promote Jobs- Housing Relationship

Section 65584(d)(3) requires that the RHNA Plan further the following objective:

- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Again, the City states that the draft allocation disproportionately allocates housing units because major job centers are located in other jurisdictions. As discussed above, the draft allocation distributes housing units to the City based on the City’s share of jobs in the region. Jobs associated with major job centers are allocated to jurisdictions where the major job centers are located. The City also argues that the major transit stops subcomponent results in a disproportional allocation, however, the transit component as a whole allocates about 57% of the associated housing units to the cities of Chula Vista, Imperial Beach, and National City, and

portions of the City of San Diego south of I-8. It is not clear how this distribution is disproportional.

Consistent with the statutory objective, SANDAG conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in every jurisdiction in the region. Therefore, allocation of low- and very low income housing units to all jurisdictions in the region would improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers.

4. Section 65584(d)(4): Allocation based on Income Categories

Section 65584(d)(4) requires that the RHNA Plan further the following objective:

(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 American Community Survey.

The City again points to the “inflated and disproportionate allocation resulting from the Major Transit Stop distribution,” which “negates any meaningful impact”(City’s Appeal, p. 2). Then the City points to its 5th Cycle housing unit allocation asserting that the 6th Cycle draft allocation is contrary to this statutory objective because it has significantly increased. The 5th Cycle, however, used a completely different methodology based on general plan capacities. In contrast, the 6th Cycle methodology and its draft allocation address the statutory objectives set forth by the Legislature by encouraging housing development near jobs and transit, which will provide the region’s residents with opportunities to live where they work and readily access transit.

Moreover, Section 65584(d)(4) does not require the allocation of fewer total housing units when a jurisdiction has a high share of households in a particular income category; it requires that a lower proportion of housing need be allocated to that income category. Consistent with this statutory objective, the draft allocation results in a jurisdiction receiving a lower proportion of its total housing units within an income category when it has a higher share of households within that income category compared to the region.

5. Section 65584(d)(5): Affirmatively Furthering Fair Housing

Section 65584(d)(5) requires that the RHNA Plan “[a]ffirmatively further fair housing.¹⁰” The City argues that the draft allocation is contrary to advancing fair housing principles based on the resulting allocation from the major transit stops subcomponent. As mentioned above, only 16% of the regional housing need is allocated based on major transit stops. The City has not

¹⁰ For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

demonstrated how the inclusion of the major transit stops subcomponent, by itself, undermines the statutory objective to affirmatively further fair housing.

During development of the methodology, SANDAG reviewed the California Tax Credit Allocation Committee (TCAC) 2019 Opportunity Map for the San Diego region to address this statutory objective. (See Final Methodology, p. 12-13). The TCAC map demonstrates how public and private resources are spatially distributed within the region; it is part of a larger study that shows how communities with better air quality, higher educational attainment, and better economic indicators are communities that have higher “opportunity”, or pathways that offer low-income children and adults the best chance at economic advancement. The study finds that historically communities with higher opportunity – through plans, policies, and practices – may have systematically denied equal opportunity to low socioeconomic and minority populations.

Areas of “low resource” and “high segregation & poverty” on the TCAC maps are also many of the same areas with a high concentration of low-income households in the San Diego region. The draft allocation assists in overcoming patterns of discrimination and transforming racially and ethnically concentrated areas of poverty into areas of opportunity by allocating a higher proportion of low-income housing units to jurisdictions with a lower share of low-income households, which tend to be jurisdictions with a high concentration of resource-rich areas. The six jurisdictions that will receive the highest percentage of low- and very low- income housing units under the draft allocation also do not contain areas of high segregation and poverty or low resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions that currently have more area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty, generally receive a lower percentage of low- and very low-income housing units than the regional percentage.

B. Statutory Factors Under 65584.04(e)

1. Section 65584.04(e)(1): Jobs-Housing Relationship

Section 65584.04(e)(1) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

As described above, pursuant to Section 65584.04, SANDAG has been charged with developing the RHNA methodology in consultation with HCD. SANDAG has the discretion to develop this methodology so long as it meets all the procedural requirements of state law and the methodology furthers the objectives in Section 65584(d) as ultimately determined by HCD. SANDAG carefully developed its methodology with input from HCD and local jurisdictions.

The City argues that the use of major transit stops does not “procure [*sic*] development opportunities because it is easily moved” (City’s Appeal, p. 3). State law, however, incentivizes

development near a major transit stop by providing a qualifying project with the option for CEQA streamlining.¹¹ Contrary to the City's claim, projects near major transit stops are specifically encouraged as infill opportunities. This distinguishes major transit stops from other definitions of transit in a way that furthers the statutory objective to promote infill development and was a primary reason in recommending the use of major transit stops to the Board. The definitions used in the transit component of the methodology, including major transit stop, were also discussed at length in the following public meetings:

- [March 22, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members discussed definitions used in the transit component for nearly 1 hour
- [April 3, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Four subcommittee members discussed definitions used in the transit component
- [May 24, 2019, RHNA Subcommittee Meeting](#) – Three subcommittee members discussed definitions used in the transit component. In addition, one public speaker discussed definitions used in the transit component
- [June 6, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component
- [June 27, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component
- [July 26, 2019, Board Meeting](#) – Two public speakers and four Board members discussed definitions used in the transit component. A Board member requested that staff provide information on an estimated allocation based on exchanging the major transit stops dataset with the high-frequency dataset. This supplemental information was provided directly to the Board and made available on the SANDAG website.
- [September 6, 2019, Board Meeting](#) – Three public speakers and three Board members discussed definitions used in the transit component. The Board rejected a motion to exchange the major transit stops dataset used in the draft methodology with the high-frequency transit dataset.

As demonstrated above, substantive discussion took place concerning the use of major transit stops. Ultimately, the major transit stop definition was recommended by both the RHNA Subcommittee and the TWG because it captured two high frequency, peak-service bus routes at a single stop and was recognized under state law for potential CEQA streamlining. In addition to the recommendation of the RHNA Subcommittee and TWG, the SANDAG Board also considered public comments and supplemental information concerning the definitions of regional transit services in the development of the draft methodology.

At the close of its appeal, the City requests to assign affordable units to all bus stops in the region equally. It is unclear how assigning affordable units based on the total number of bus stops within a jurisdiction would address the City's concern that bus stops are "easily moved, and may be moved without City consent" (City's Appeal, p. 3). Also, the City has not shown how allocating housing units based on the total number of all bus stops – as opposed to major transit stops - is necessary to further the statutory objectives.

The City also states that the allocation "is not balanced relative to existing and projected jobs and housing" (City's Appeal, p. 3). To the extent that the City also argues that more emphasis

¹¹ Public Resources Code 21099 and California Code of Regulations 15064.3(b)(1), 15182(b)(1)(A), and Appendix M.

should have been placed on jobs as a determinant of the draft allocation, the relative weighting of jobs and transit was also discussed at length in the following public meetings:

- [April 3, 2019, TWG Meeting](#) – Working group members and public attendees broke out into small groups and used laptops provided by staff to test different weightings of the components in the methodology. Following the breakout, two working group members specifically discussed giving equal or greater weight to the jobs component.
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Six subcommittee members and an additional elected official discussed the relative weighting of the jobs and transit component. The RHNA Subcommittee received comments from three TWG working group members about the relative weighting of the jobs and transit component – one of these comments specifically discussed giving equal or greater weight to the jobs component. These comments were included in the meeting agenda and discussed aloud at the meeting.
- [May 9, 2019, TWG Meeting](#) - Three working group members discussed the relative weighting of the jobs and transit component. One of these members specifically discussed giving equal or greater weight to the jobs component.
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed the relative weighting of the jobs and transit component.
- [June 6, 2019, TWG Meeting](#) – Four working group members discussed the relative weighting of the jobs and transit component. Two of these members specifically discussed giving equal or greater weight to the jobs component.
- [June 27, 2019, TWG Meeting](#) – One working group member specifically discussed giving equal or greater weight to the jobs component.
- [July 26, 2019, Board Meeting](#) – One public speaker and two Board members specifically discussed giving equal or greater weight to the jobs component. These two Board members requested that staff provide information on an estimated allocation based on equal weighting (50-50) to the transit and jobs component. This supplemental information was provided directly to the Board and made available on the SANDAG website.
- [September 6, 2019, Board Meeting](#) – Four public speakers and three Board members specifically discussed giving equal or greater weight to the jobs component.

As such, SANDAG adequately considered the relative weighting of jobs and transit in the final methodology and the resulting draft allocation.

2. Section 65584.04(e)(2): Opportunities and Constraints to Development

Section 65584.04(e)(2) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(2) The opportunities and constraints to development of additional housing in each member jurisdiction . . .

The City argues that SANDAG did not adequately consider that the City is “built-out” with effectively non-existent greenfield development opportunities. However, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for

increased residential development under the alternative zoning ordinances and land use restrictions.” See Section 65584.04 (e)(2)(B). In fact, HCD noted in its letter dated November 1, 2019, that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.” Because consideration of existing zoning ordinances and land use restrictions is specifically prohibited by state law, the facts raised by the City do not support this ground for appeal.

Nevertheless, SANDAG did specifically discuss land availability and jurisdictional capacity during development of the methodology at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – Seven working group members and SANDAG staff discussed jurisdictional capacity at length
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members and an additional elected official discussed land availability and jurisdictional capacity. The Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed land availability and jurisdictional capacity
- [May 10, 2019, Board Meeting](#) – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle RHNA, which considered a jurisdiction’s capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction’s capacity. Following receipt of this information, one Board member discussed jurisdictional capacity
- [June 27, 2019, TWG Meeting](#) – Two working group members discussed jurisdictional capacity
- [July 26, 2019, Board Meeting](#) – Three public speakers and six Board members discussed land availability and jurisdictional capacity
- [September 6, 2019, Board Meeting](#) – Three public speakers and nine Board members discussed land availability and jurisdictional capacity.
- [November 22, 2019, Board Meeting](#) – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

In addition, the City notes that “based upon development trends and economics, the ability to realize the allocated units appears unrealistic” and that “a funding mechanism to assist achievement of the housing allocation is needed as a way to incentivize housing development” (City’s Appeal, p. 4). Neither development trends and economics nor financial incentives are considerations in allocating the regional housing need under state law. In fact, state legislation in 2018 removed “[t]he market demand for housing” as a factor for consideration, and beginning in 2018, HCD introduced state funding programs to assist local jurisdictions with housing production in recognition of challenges arising from the statewide housing crisis. Notwithstanding, the economic arguments raised by the City do not support a ground for appeal.

3. [Section 65584.04\(e\)\(3\): Public Transportation & Existing Transportation Infrastructure](#)
Section 65584.04(e)(3) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

In addition to the arguments described above, the City raises additional concerns regarding the use of major transit stops in the methodology related to Section 65584.04(e)(3). The City asserts: (a) only four cities have major transit stops, (b) placement of bus stops is outside the control of SANDAG and local jurisdictions, and (c) the Affordable Housing and Sustainable Communities (AHSC) Guidelines identify a preference for high quality transit, such as dedicated bus lanes, bus rapid transit, and rail.

a. The Impact of Transit on the Draft Allocation

The City again states that the impact of transit is disproportional when compressed into four cities. As discussed above, the transit component is not compressed into four jurisdictions; rather, it allocates housing units to 16 of the 19 jurisdictions. The City also mentions an estimated allocation based on high frequency transit that was considered during the development of the methodology. In fact, at its September 6, 2019, meeting, the Board rejected a motion to substitute high frequency transit for major transit stops in the transit component of the methodology. In any event, SANDAG adequately considered information related to the definition of transit, including the consideration of the high frequency transit definition, as described in more detail above. Moreover, the City has not demonstrated that the requested revision to use another transit definition is necessary to further the intent of the statutory objectives.

b. Planning for Bus Stops

The City states that placement of bus stops “is subject to change at any time without the approval of SANDAG or a local municipality” (City’s Appeal, p. 4). In fact, the Metropolitan Transit System (MTS) has a robust process for evaluating and adjusting existing transit services to improve performance. Specific to major service changes, including the significant realignment of a route, changes in scheduled headways, and subarea restructuring, MTS requires a public hearing and a Title VI analysis prior to the MTS Board of Directors making a final implementation decision.¹² Most notably, the City is a member of the MTS Board of Directors, where these decisions would take place.¹³

c. AHSC Guidelines’ Transit Preference

The City notes that the AHSC Guidelines states a preference for high quality transit “such as dedicated bus lanes, bus rapid transit, and rail” (City’s Appeal, p. 4). Rail and *Rapid* stations are in fact prioritized over the major transit stops subcomponent: only 25% of the transit

¹² MTS Policies and Procedures, No. 42

(https://www.sdmts.com/sites/default/files/policy.42.transit_service_eval_and_adjustment.pdf).

¹³ MTS Policies and Procedures, No. 22

(https://www.sdmts.com/sites/default/files/policy.22.rules_of_procedure_for_the_mts_board_of_directors_0.pdf).

component is based on major transit stops, while 75% is based on rail and *Rapid* stations in the region.

4. Section 65584.04(e)(12)¹⁴: The Region’s Greenhouse Gas Emissions Targets

Section 65584.04(e)(12) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

The City asserts that SANDAG did not adequately consider the City’s lack of high-quality transit, such as rail, bus rapid transit, and dedicated bus lanes, in determining the draft allocation. In fact, SANDAG specifically considered where rail and *Rapid* stations are located in developing the methodology. As described above, the draft allocation prioritizes allocation of the housing units in jurisdictions with rail and *Rapid* stations, with a smaller proportion of housing units allocated based on major transit stops. Because the City does not have rail or *Rapid* stations, it would receive zero housing units for that subcomponent.

Jurisdiction	Rail & Rapid Stations		Major Transit Stops	
	Count	Regional Share (%)	Count	Regional Share (%)
Carlsbad	2	1.3%	0	0.0%
Chula Vista	9	5.8%	18	12.9%
Coronado	0	0.0%	0	0.0%
Del Mar	0	0.0%	0	0.0%
El Cajon	3	1.9%	0	0.0%
Encinitas	1	0.6%	0	0.0%
Escondido	14	9.1%	0	0.0%
Imperial Beach	0	0.0%	6	4.3%
La Mesa	5	3.2%	0	0.0%
Lemon Grove	2	1.3%	0	0.0%
National City	2	1.3%	15	10.7%
Oceanside	7	4.5%	0	0.0%
Poway	0	0.0%	0	0.0%
San Diego	100	64.9%	101	72.1%
San Marcos	3	1.9%	0	0.0%
Santee	1	0.6%	0	0.0%
Solana Beach	1	0.6%	0	0.0%
Unincorporated County	2	1.3%	0	0.0%
Vista	2	1.3%	0	0.0%
Region	154	100.0%	140	100.0%

Sources: R&R Stations - SANDAG ABM, Forecast Year 2025 No Build; Major Transit Stops - SANDAG ABM, Forecast Year 2020

¹⁴ This subsection was renumbered to (12) from (11) effective January 1, 2020.

As such, SANDAG adequately considered the impact, and priority, of rail and *Rapid* transit services both regionwide, and specifically within the City.

The City goes on to argue that because major job centers are located outside of Imperial Beach, VMT will increase due to the trips generated by new housing units. However, given the state mandates to allocate the regional housing need and reduce GHG emissions, the draft allocation encourages housing growth near transit to provide residents with improved access to transit options, lowering VMT, and reducing GHG emissions. It also encourages housing growth near jobs to provide opportunities for more residents to live near their place of employment in furtherance of the statutory objectives.

C. The City’s Additional Unaddressed Concern

The City states that the units allocated would result in a land use form that is contrary to the City’s Mission Statement. During development of the methodology, SANDAG also considered a number of comments concerning the housing unit allocation jeopardizing community character. Community character is not included among the objectives and factors in state law that must be considered in the development of a methodology. Following the allocation of housing units in the RHNA Plan, individual jurisdictions will undergo the process of updating the housing elements in their general plan to accommodate the housing need. It is during this local planning process that jurisdictions may consider community characteristics when planning for housing. As such, the City’s additional unaddressed concern does not support a ground for appeal.

V. Conclusion

The City requests that SANDAG modify the allocation to assign affordable units to all bus stops equally, not just those that serve two different bus routes with a minimum peak frequency of 15 minutes. While not specifically included in the paragraph titled “Imperial Beach’s Request” on page 5 of City’s appeal, SANDAG also has considered the City’s requests to (a) adjust the allocation to more heavily emphasize jobs over transit, (b) adjust the allocation to accommodate the City’s existing zoning, and (c) adjust the allocation to account for the City’s community character. Based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City’s appeal.¹⁵

¹⁵ During a discussion with Naval Facilities Engineering Command (NAVFAC) Southwest in February 2020, it became clear that the jobs data for the Naval Outlying Landing Field (NOLF) in Imperial Beach was not aligned with the Demographics report published by DMDC used to develop the SANDAG Employment Estimates. NOLF has at most 99 active duty military jobs according to the DMDC data. Similarly, the Silver Strand Training Complex (SSTC) in the City of Coronado also has at most 99 active duty military jobs. The total jobs data had erroneously treated both the SSTC and NOLF as remote stations of Naval Base San Diego 32nd Street and redistributed a portion of the jobs at the 32nd Street base located in the City of San Diego to SSTC and NOLF. As such, the jobs previously assigned to these two installations will be properly attributed to the City of San Diego as part of the 32nd Street base. For this reason, the City’s total jobs figure is reduced by 1,270 jobs and the allocation corrected as follows:

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total Allocation
Imperial Beach	225	123	183	798	1,329

San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Lemon Grove

The City of Lemon Grove (City) has appealed its draft Regional Housing Needs Assessment (RHNA) allocation. The following constitutes the final determination of the San Diego Association of Governments (SANDAG) Board of Directors regarding the City's appeal. This final determination is based on the information and methodology described in California Government Code Section 65584.04,¹ the information presented in the appeal, all comments received regarding the appeal, and information received during the public hearing.

I. Statutory Background

The California Legislature developed the RHNA process in 1977 to address the affordable housing shortage in California. The RHNA process is codified in state law at California Government Code Section 65580, *et seq.* Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

See Section 65580.

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

¹ All statutory references are to the California Government Code unless otherwise noted.

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

See Section 65581.

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Section 65300). A general plan consists of many planning elements, including an element for housing (See Section 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state (Section 65584(a)). HCD's determination must be based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. (See Section 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD's failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). Within 45 days of receiving the council of governments objection, HCD must "make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made." (See Section 65584.01).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following objectives:

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

patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (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 American Community Survey.
- (5) Affirmatively furthering fair housing.

See Section 65584(b).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- (1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
 - (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
 - (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.
 - (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by

the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- (4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- (6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- (7) The rate of overcrowding.
- (8) The housing needs of farmworkers.
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
- (11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.
- (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
- (13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle.

See Section 65584.04(g).

Finally, Section 65584.04(m) requires that the final RHNA Plan, which includes both the methodology and the allocation, is consistent with the development pattern included in the region's sustainable communities strategy, distributes the entire regional housing need determined under Section 65584, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d).

C. Public Participation

Government Code Section 65584.04(d) states that "public participation and access shall be required in the development of the methodology." The council of governments is required to "explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584" (See Section 65584.04(f)) as well as explain "how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology" (See Section 65584.04(d)). The proposed methodology, "this information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments' or delegate subregion's, internet website." (See Section 65584.04(f)).

The council of governments is required to open the proposed methodology to public comment and "conduct at least one public hearing to receive oral and written comments on the proposed methodology." (See Section 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Section 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to "whether the methodology furthers the objectives listed in subdivision (d) of Section 65584." (See Section 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions "and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD]." (See Section 65584.04(i)). Upon adoption of the final methodology, the council of governments "shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website." (See Section 65584.04(k)).

E. RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD, and shall publish the draft allocation on its website. (See Section 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Section 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Section 65584.04(m)(3); Section 65584.045).

II. SANDAG Oversight of the 6th Cycle RHNA Process

A. RHNA Determination

SANDAG began consultation with HCD for the 6th Cycle RHNA process in April 2017. The consultation process included a review of HCD's calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG)², Regional Planning Committee (RPC)³, and the Board⁴.

In March 2018, SANDAG received a draft RHNA Determination from HCD. Consistent with Section 65584.01, HCD used the following data to prepare the draft RHNA Determination for the San Diego region:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter's households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

At its meeting on [May 4, 2018](#), the RPC considered potential changes to the draft RHNA Determination that could be proposed to HCD reflecting factors unique to housing in the San Diego region. The RPC recommended that the Board accept the draft RHNA Determination without modifications.

At its [May 11, 2018](#), meeting, the Board authorized the Executive Director to submit comments to HCD outlining suggested revisions to the RHNA Determination. Then on May 25, 2018, the Board voted to place this item on a future agenda for further discussion before submitting comments to HCD. On [June 8, 2018](#), the Board amended its May 11, 2018, action and directed staff to submit a letter to HCD accepting the draft RHNA Determination. Following [SANDAG's acceptance](#) of the draft RHNA Determination, the consultation process concluded when HCD submitted the final RHNA Determination in a [letter to SANDAG dated July 5, 2018](#).

² SANDAG staff presented information related to the RHNA Determination to the TWG at its [March 26, 2018](#), and [April 12, 2018](#), meetings.

³ SANDAG staff presented information related to the RHNA Determination to the RPC at its [April 6, 2018](#), and [May 4, 2018](#), meetings.

⁴ SANDAG staff presented information related to the RHNA Determination to the Board at its [March 9, 2018](#), [May 11, 2018](#), and [June 8, 2018](#), meetings.

The final RHNA Determination requires SANDAG and its member agencies to plan for 171,685 total housing units through the 2021-2029 planning period to address the region's housing needs.

B. RHNA Methodology and Public Participation

At its [September 14, 2018](#) meeting the Board was surveyed to determine each jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The Board expressed a desire to take a different approach than what had been used in previous housing element cycles and wanted to play a bigger role in the development of the methodology. This culminated in the formation of the RHNA Subcommittee in December 2018, which included members of the Board from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. The Board also requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members.

The RHNA Subcommittee began meeting in early 2019. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings⁵ in spring and summer 2019, prior to the Board's release of the draft methodology for public comment. All meetings were noticed and open to the public.

SANDAG staff also solicited input on the development of the methodology from the TWG, whose membership is described above. The TWG advises the RPC and Board on the development and implementation of San Diego Forward: the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology over 12 meetings⁶ from August 2018 to November 2019, including two workshops specifically focused on RHNA.

Attendees at the meetings of the Board, RHNA Subcommittee, RPC, and TWG provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the outreach process. In addition to addressing comments at public meetings, SANDAG staff responded to comments and questions related to the development of the methodology via phone calls and emails, which led to the creation of Frequently Asked Questions that were posted to the SANDAG website. Staff also presented at city council meetings upon request.

On [July 26, 2019](#), the Board released the draft methodology for public comment. At the end of a 42-day public comment period, SANDAG conducted a public hearing on [September 6, 2019](#). SANDAG received nearly 2,200 [public comments](#). During the public comment period, SANDAG compiled and posted on its website [supplemental information](#) requested by Board members, a list of [Frequently Asked Questions \(FAQs\)](#), and a [response to comments received during the public comment period](#).

On September 6, 2019, the Board authorized staff to submit the draft methodology to HCD for review. In a [letter dated November 1, 2019](#), HCD found that the draft methodology furthers the objectives in state law. At its November 22, 2019, meeting, the Board adopted by [resolution](#) the [final](#)

⁵ The RHNA Subcommittee met on [February 8, 2019](#), [February 22, 2019](#), [March 22, 2019](#), [April 26, 2019](#), [May 24, 2019](#), and [June 14, 2019](#).

⁶ The TWG discussed RHNA at the following meetings: [August 9, 2018](#), [October 11, 2018](#), [December 13, 2018](#), [January 10, 2019](#), [February 14, 2019](#), [March 14, 2019](#), [April 3, 2019](#), [May 9, 2019](#), [June 6, 2019](#), [June 13, 2019](#), [June 27, 2019](#), and [November 14, 2019](#).

methodology and released the draft allocation. Following the Board meeting, the draft allocation was posted on the SANDAG website and distributed to each jurisdiction and HCD.

III. RHNA Appeal Process

A. Statutory Background

Under Section 65584.05(b), a local government or HCD may appeal the council of governments within 45 days following receipt of the draft allocation “for a revision of the share of the regional housing need proposed to be allocated to one or more local governments.” Appeals “shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.” Appeals also shall be consistent with the sustainable communities strategy included in the regional transportation plan (See Section 65584.05(b)). In accordance with Section 65584.05(b), appeals are limited to the following circumstances:

- (1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

Following the 45-day period for filing an appeal, the council of governments “shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website.” (See Section 65584.05(c)). Local governments and HCD may, within 45 days, comment on one or more appeals.

Within 30 days of the end of the appeals comment period, and with at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).” (See Section 65584.05(d)). Within 45 days of the public hearing to consider appeals, the council of governments is required to make a written final determination for each appeal filed that either accepts, rejects, or modifies the appeal and issue a proposed final allocation plan (See Section 65584.05(e)). The written finding(s) must describe how the determination is consistent with Section 65584.05.

If a final determination on an appeal requires the council of governments to adjust the allocation to one or more local governments that are not the subject of an appeal, Section 65584.05(f) provides: (1) if the adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those housing units proportionally to all local jurisdictions; or (2) if the adjustment totals more than 7 percent of the regional housing need, then the council of governments shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need established under Section 65584.01. (See Section 65584.05(f))

Within 45 days after issuing the proposed final allocation plan, the council of governments “shall hold a public hearing to adopt a final allocation plan.” The council of governments must then submit the final allocation plan to HCD within 3 days of adoption. HCD has 30 days to determine if the final allocation plan is consistent with the regional housing need. (See Section 65584.05(g)). The council of governments has final authority to determine the distribution of the region’s housing needs “[t]o the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals.” (See Section 65584.05(g)). HCD may revise the determination of the council of governments to obtain consistency with the existing and projected housing need for the region. (See Section 65584.05(g)).

B. SANDAG Appeal Process

SANDAG received four appeals during the appeals period of November 22, 2019 to January 6, 2020. Following close of business on January 6, 2020, the appeals were posted on [SANDAG's website](#) and distributed to the planning or community development directors of each local jurisdiction and the Board consistent with Section 65584.05(c).

SANDAG received five comment letters on the appeals during the appeals comment period from January 7, 2020 to February 21, 2020.

On February 7, 2020, SANDAG issued a notice of public hearing to consider appeals and comments on appeals at a meeting of the Board on February 28, 2020, pursuant to Section 65584.05(d), which was posted on the SANDAG website and published in two local newspapers. The Executive Committee, a committee of the Board responsible for setting Board agendas and providing direction to staff in preparing items for Board consideration, was scheduled to consider proposed RHNA Appeals Hearing Procedures at its meeting on [February 14, 2020](#). Prior to the Executive Committee meeting, three of the appealing jurisdictions submitted letters to SANDAG stating that individual notice of the proposed public hearing was not received 21 days in advance of the February 28, 2020, public hearing date. To ensure compliance with the requirements of Section 65584.05(d), at its February 14, 2020, meeting, the Executive Committee approved continuing the public hearing to March 27, 2020, in addition to approving the RHNA Appeals Hearing Procedures with modifications. At its meeting on February 28, 2020, the Board ratified the Executive Committee’s actions.

On March 3, 2020, SANDAG issued a notice of the public hearing to consider appeals and comments on appeals on March 27, 2020, pursuant to Section 65584.05(d), which was provided to each jurisdiction, posted on SANDAG’s website, and published in two local newspapers.

The Board conducted the public hearing at its meeting on [March 27, 2020](#).

IV. The City’s Appeal

In a letter dated January 6, 2020, the City appealed the draft allocation. The ground for appeal is as follows:

- (1) Govt. Code § 65584.05(b)(2): SANDAG failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Section 65584(d).

A. Transit Stations

The City argues that the draft allocation undermines the statutory objectives set forth at Section 65584(d) by disproportionately allocating housing units to jurisdictions based on the existence of transit stations within their boundaries regardless of whether those stations are used by residents of neighboring jurisdictions. The City describes a half-mile radius around each transit station that could be used to determine which nearby jurisdictions benefit from the respective station.

Notably, the area surrounding transit and rail stations, and the related conversation around land availability, was discussed at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – One working group member commented that there should be consideration of building capacity around transit and rail stations; two working group members stated that they don't support using existing capacities of any kind. In total, seven working group members and SANDAG staff discussed jurisdictional capacity at length.
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The RHNA Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity. One of these comments included consideration of building capacity around transit and rail stations
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed land availability and jurisdictional capacity.
- [May 10, 2019, Board Meeting](#) – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle RHNA, which considered a jurisdiction's capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction's capacity. Following receipt of this information, one Board member discussed jurisdictional capacity.
- [June 27, 2019, TWG Meeting](#) – Two working group members discussed jurisdictional capacity.
- [July 26, 2019, Board Meeting](#) – One Board member commented that there is no capacity to build around one of the trolley stations in their jurisdiction; another Board member commented that the train station in their jurisdiction serves four jurisdictions. In total, three public speakers and six Board members discussed land availability and jurisdictional capacity in general.
- [September 6, 2019, Board Meeting](#) – One Board member discussed the area surrounding transit and rail stations. Three public speakers and nine Board members discussed land availability and jurisdictional capacity in general.
- [November 22, 2019, Board Meeting](#) – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

In considering the land surrounding a rail station, *Rapid* station, or major transit stop, the discussion at the public meetings revolved around existing land use restrictions and jurisdictions' ability to build within any radius or shed identified around the station. However, SANDAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions." See Section 65584.04 (e)(2)(B). For this reason, information regarding the area surrounding rail and *Rapid* stations and major transit stops, after being considered at multiple public meetings and in comments to the Board, was not ultimately incorporated into the methodology.

With respect to the weighting of 75% of the transit units to rail and *Rapid* stations, as set forth in the final methodology, SANDAG has prioritized housing units with rail and *Rapid* stations because of

"the significant investment the region has made to building and improve rail lines and *Rapid* routes, as well as the permanency of rail lines relative to local bus service. Additionally, rail and *Rapid* routes have higher capacities and are among the more popular transportation services in the region." (Final Methodology, p. 4).

The goal of the emphasis on rail and *Rapid* stations is to ensure that future growth is located near transit. Moreover, by prioritizing transit (and jobs), the methodology encourages efficient development patterns and reduces greenhouse gas (GHG) emissions. An allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space consistent with Section 65584(d)(2). (See Final Methodology, p. 11). More specifically, placing residents near jobs and transit is consistent with California Air Resources Board's (CARB's) identified policy goals and guidance detailed in the [2017 Climate Change Scoping Plan](#) (Scoping Plan). The Scoping Plan proposes to strengthen major programs related to climate impacts and further integrate efforts to reduce both GHG emissions and air pollution. Among CARB's Vibrant Communities and Landscapes / Vehicle Miles Traveled (VMT) Reduction Goals identified to reduce GHG emissions from the transportation sector are the following:

- Promote all feasible policies to reduce VMT, including:
 - Land use and community design that reduce VMT,
 - Transit oriented development,
 - Complete street design policies that prioritize transit, biking, and walking, and
 - Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities.
- Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use.
- Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the “first mile, last mile” gap between commuters’ transit stops and their destinations.
- Continue research and development on transportation system infrastructure, including:
 - Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and
 - Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use.
- Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent, and for a walk and bike mode share of between 10 percent and 15 percent (Scoping Plan, p.76).

The Scoping Plan goes on to state that “compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are [] not modeled but are important co-benefits of the overall transportation sector strategy” (Scoping Plan, p. 77). Because the draft allocation encourages the development of housing near jobs and transit, it will provide the region’s residents with opportunities to live where they work and readily access transit, which can facilitate shorter commutes, reduce VMT, and increase trip-taking by transit or alternative modes.

B. Socioeconomic Equity

Section 65584(d)(5) requires that the RHNA Plan “[a]ffirmatively further fair housing.”⁷ The City asserts that the draft allocation will “only serve to displace lower income households” that rely on transit (City’s Appeal, p. 8). The City goes on to argue that emphasizing transit “compounds segregated living patterns” by allocating low income housing in existing low-income communities near transit (City’s Appeal, p. 8). Other than generally referencing SANDAG’s Regional Housing Progress Report, the City does not present data or other evidence to support these contentions. With respect to both issues, jurisdictions must work closely with HCD in updating their housing elements to address unique community characteristics.

Notwithstanding the housing element consultation process with HCD, the draft allocation specifically addresses Section 65584(d)(5). During development of the methodology, SANDAG reviewed the California Tax Credit Allocation Committee (TCAC) 2019 Opportunity Map for the San Diego region. (See Final Methodology, p. 12-13). The TCAC map demonstrates how public and private resources are spatially distributed within the region. It is part of a larger study that shows how communities with better air quality, higher educational attainment, and better economic indicators are communities that have higher “opportunity”, or pathways that offer low-income children and adults the best chance at economic advancement. The study finds that historically communities with higher opportunity – through plans, policies, and practices – may have systematically denied equal opportunity to low socioeconomic and minority populations.

Areas of “low resource” and “high segregation & poverty” on the TCAC maps are also many of the same areas with a high concentration of low-income households in the San Diego region. The draft allocation assists in overcoming patterns of discrimination and transforming racially and ethnically concentrated areas of poverty into areas of opportunity by allocating a higher proportion of low-income housing units to jurisdictions with a lower share of low-income households, which tend to be jurisdictions with a high concentration of resource-rich areas. The six jurisdictions that will receive the highest percentage of low- and very low income housing units under the draft allocation also do not contain areas of high segregation and poverty or low resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions that currently have more area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty, generally receive a lower percentage of low- and very low income housing units than the regional percentage.

The draft allocation also furthers the objective set forth in Section 65584(d)(1), which requires that the draft allocation further the objective of “[i]ncreasing 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. . . .” The draft allocation distributes housing units in all four income categories to each of the region’s 19 jurisdictions, and does so equitably by ensuring each jurisdiction receives an allocation for low- and very low income units, and further, allocating a higher share of low- and very

⁷ For purposes of this section, “affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

low income units to jurisdictions that currently have a smaller share of low- and very low income households than the regional share. Because state law requires jurisdictions to zone at higher densities to accommodate their low- and very low income housing allocations, the mix of housing types will also increase.

Notably, SANDAG also conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in every jurisdiction in the region. Therefore, the draft allocation distributes low and very low income housing units to all jurisdictions in the region to improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers consistent with Section 65584.04(d)(3).

Moreover, Section 65584(d)(4), which addresses distributing the allocation among income categories, does not require the allocation of fewer total housing units when a jurisdiction has a high share of households in a particular income category; it requires that a lower proportion of housing need be allocated to that income category. Consistent with this statutory objective, the draft allocation results in a jurisdiction receiving a lower proportion of its total housing units within an income category when it has a higher share of households within that income category compared to the region.

The City also argues that it “lacks sufficient vacant land to accommodate the Draft Allocation” (City’s Appeal, p. 8). As mentioned above, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). HCD also noted in its letter dated November 1, 2019, that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.” Because consideration of existing zoning ordinances and land use restrictions is specifically prohibited by state law, the facts raised by the City do not support this ground for appeal.

Ultimately, the City requests that SANDAG modify the allocation based on each jurisdiction’s land area falling within a half-mile transit shed. It has not, however, shown how the use of a half-mile transit shed around each transit station would address its equity concerns any differently than using the exact location of a transit station. As such, it has also failed to demonstrate that its requested revision to the draft allocation is necessary to further the intent of the statutory objectives.

C. Significant and Unforeseen Change in Circumstances

The City also submitted a letter during the comment period requesting that SANDAG consider a new California Department of Finance (DOF) population projection released in January 2020. A prior DOF population projection was used by HCD in developing the RHNA Determination. On February 6, 2020, SANDAG staff discussed the new DOF population projection with HCD to determine how it might affect the 6th Cycle RHNA. HCD stated that the RHNA statutes do not provide a process for revising a RHNA Determination once it is final. Section 65584.01(a) provides that “[t]he department’s determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” The final RHNA Determination is produced by HCD based on the data available during the consultation process pursuant to Section 65584.01 and is not revised for either increased or decreased population estimates subsequently released. As such, SANDAG finds

that the new DOF population projection does not constitute a “significant or unforeseen change in circumstances [that] has occurred in the local jurisdiction or jurisdictions . . .” See Section 65584.05(b)(3).

V. Conclusion

The City requests that the draft allocation be “reworked in a manner that better fulfills the objectives outlined in the Government Code.” (City’s Appeal, p. 9). In its appeal, the City also provides an analysis of each jurisdiction’s land area falling within a half-mile transit shed of three rail stations in the region. While not specifically requested, SANDAG has considered the adjustment to the allocation described by the City for a half-mile transit shed as a request to revise the draft allocation. Based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City’s appeal.

DRAFT

San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Solana Beach

The City of Solana Beach (City) has appealed its draft Regional Housing Needs Assessment (RHNA) allocation. The following constitutes the final determination of the San Diego Association of Governments (SANDAG) Board of Directors regarding the City's appeal. This final determination is based on the information and methodology described in California Government Code Section 65584.04,¹ the information presented in the appeal, all comments received regarding the appeal, and information received during the public hearing.

I. Statutory Background

The California Legislature developed the RHNA process in 1977 to address the affordable housing shortage in California. The RHNA process is codified in state law at Section 65580, *et seq.* Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

See Section 65580.

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

¹ All statutory references are to the California Government Code unless otherwise noted.

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

See Section 65581.

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Section 65300). A general plan consists of many planning elements, including an element for housing (See Section 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state (Section 65584(a)). HCD's determination must be based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. (See Section 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD's failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). Within 45 days of receiving the council of governments objection, HCD must "make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made." (See Section 65584.01).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following objectives:

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

patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (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 American Community Survey.
- (5) Affirmatively furthering fair housing.

See Section 65584(b).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- (1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
 - (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
 - (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.
 - (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by

the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- (4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- (6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- (7) The rate of overcrowding.
- (8) The housing needs of farmworkers.
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
- (11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.
- (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
- (13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle.

See Section 65584.04(g).

Finally, Section 65584.04(m) requires that the final RHNA Plan, which includes both the methodology and the allocation, is consistent with the development pattern included in the region's sustainable communities strategy, distributes the entire regional housing need determined under Section 65584, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d).

C. Public Participation

Government Code Section 65584.04(d) states that "public participation and access shall be required in the development of the methodology." The council of governments is required to "explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584" (See Section 65584.04(f)) as well as explain "how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology" (See Section 65584.04(d)). The proposed methodology, "this information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments' or delegate subregion's, internet website." (See Section 65584.04(f)).

The council of governments is required to open the proposed methodology to public comment and "conduct at least one public hearing to receive oral and written comments on the proposed methodology." (See Section 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Section 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to "whether the methodology furthers the objectives listed in subdivision (d) of Section 65584." (See Section 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions "and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD]." (See Section 65584.04(i)). Upon adoption of the final methodology, the council of governments "shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website." (See Section 65584.04(k)).

E. RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD, and shall publish the draft allocation on its website. (See Section 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Section 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Section 65584.04(m)(3); Section 65584.045).

II. SANDAG Oversight of the 6th Cycle RHNA Process

A. RHNA Determination

SANDAG began consultation with HCD for the 6th Cycle RHNA process in April 2017. The consultation process included a review of HCD's calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG)², Regional Planning Committee (RPC)³, and the Board⁴.

In March 2018, SANDAG received a draft RHNA Determination from HCD. Consistent with Section 65584.01, HCD used the following data to prepare the draft RHNA Determination for the San Diego region:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter's households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

At its meeting on [May 4, 2018](#), the RPC considered potential changes to the draft RHNA Determination that could be proposed to HCD reflecting factors unique to housing in the San Diego region. The RPC recommended that the Board accept the draft RHNA Determination without modifications.

At its [May 11, 2018](#), meeting, the Board authorized the Executive Director to submit comments to HCD outlining suggested revisions to the RHNA Determination. Then on May 25, 2018, the Board voted to place this item on a future agenda for further discussion before submitting comments to HCD. On [June 8, 2018](#), the Board amended its May 11, 2018, action and directed staff to submit a letter to HCD accepting the draft RHNA Determination. Following [SANDAG's acceptance](#) of the draft RHNA Determination, the consultation process concluded when HCD submitted the final RHNA Determination in a [letter to SANDAG dated July 5, 2018](#).

² SANDAG staff presented information related to the RHNA Determination to the TWG at its [March 26, 2018](#), and [April 12, 2018](#), meetings.

³ SANDAG staff presented information related to the RHNA Determination to the RPC at its [April 6, 2018](#), and [May 4, 2018](#), meetings.

⁴ SANDAG staff presented information related to the RHNA Determination to the Board at its [March 9, 2018](#), [May 11, 2018](#), and [June 8, 2018](#), meetings.

The final RHNA Determination requires SANDAG and its member agencies to plan for 171,685 total housing units through the 2021-2029 planning period to address the region's housing needs.

B. RHNA Methodology and Public Participation

At its [September 14, 2018](#) meeting the Board was surveyed to determine each jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The Board expressed a desire to take a different approach than what had been used in previous housing element cycles and wanted to play a bigger role in the development of the methodology. This culminated in the formation of the RHNA Subcommittee in December 2018, which included members of the Board from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. The Board also requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members.

The RHNA Subcommittee began meeting in early 2019. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings⁵ in spring and summer 2019, prior to the Board's release of the draft methodology for public comment. All meetings were noticed and open to the public.

SANDAG staff also solicited input on the development of the methodology from the TWG, whose membership is described above. The TWG advises the RPC and Board on the development and implementation of San Diego Forward: the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology over 12 meetings⁶ from August 2018 to November 2019, including two workshops specifically focused on RHNA.

Attendees at the meetings of the Board, RHNA Subcommittee, RPC, and TWG provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the outreach process. In addition to addressing comments at public meetings, SANDAG staff responded to comments and questions related to the development of the methodology via phone calls and emails, which led to the creation of Frequently Asked Questions that were posted to the SANDAG website. Staff also presented at city council meetings upon request.

On [July 26, 2019](#), the Board released the draft methodology for public comment. At the end of a 42-day public comment period, SANDAG conducted a public hearing on [September 6, 2019](#). SANDAG received nearly 2,200 [public comments](#). During the public comment period, SANDAG compiled and posted on its website [supplemental information](#) requested by Board members, a list of [Frequently Asked Questions \(FAQs\)](#), and a [response to comments received during the public comment period](#).

On September 6, 2019, the Board authorized staff to submit the draft methodology to HCD for review. In a [letter dated November 1, 2019](#), HCD found that the draft methodology furthers the objectives in state law. At its November 22, 2019, meeting, the Board adopted by [resolution](#) the [final](#)

⁵ The RHNA Subcommittee met on [February 8, 2019](#), [February 22, 2019](#), [March 22, 2019](#), [April 26, 2019](#), [May 24, 2019](#), and [June 14, 2019](#).

⁶ The TWG discussed RHNA at the following meetings: [August 9, 2018](#), [October 11, 2018](#), [December 13, 2018](#), [January 10, 2019](#), [February 14, 2019](#), [March 14, 2019](#), [April 3, 2019](#), [May 9, 2019](#), [June 6, 2019](#), [June 13, 2019](#), [June 27, 2019](#), and [November 14, 2019](#).

methodology and released the draft allocation. Following the Board meeting, the draft allocation was posted on the SANDAG website and distributed to each jurisdiction and HCD.

III. RHNA Appeal Process

A. Statutory Background

Under Section 65584.05(b), a local government or HCD may appeal the council of governments within 45 days following receipt of the draft allocation “for a revision of the share of the regional housing need proposed to be allocated to one or more local governments.” Appeals “shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.” Appeals also shall be consistent with the sustainable communities strategy included in the regional transportation plan (See Section 65584.05(b)). In accordance with Section 65584.05(b), appeals are limited to the following circumstances:

The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

- (1) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (2) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

Following the 45-day period for filing an appeal, the council of governments “shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website.” (See Section 65584.05(c)). Local governments and HCD may, within 45 days, comment on one or more appeals.

Within 30 days of the end of the appeals comment period, and with at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).” (See Section 65584.05(d)). Within 45 days of the public hearing to consider appeals, the council of governments is required to make a written final determination for each appeal filed that either accepts, rejects, or modifies the appeal and issue a proposed final allocation plan (See Section 65584.05(e)). The written finding(s) must describe how the determination is consistent with Section 65584.05.

If a final determination on an appeal requires the council of governments to adjust the allocation to one or more local governments that are not the subject of an appeal, Section 65584.05(f) provides: (1) if the adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those housing units proportionally to all local jurisdictions; or (2) if the adjustment totals more than 7 percent of the regional housing need, then the council of governments shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need established under Section 65584.01. (See Section 65584.05(f))

Within 45 days after issuing the proposed final allocation plan, the council of governments “shall hold a public hearing to adopt a final allocation plan.” The council of governments must then submit the final allocation plan to HCD within 3 days of adoption. HCD has 30 days to determine if the final allocation plan is consistent with the regional housing need. (See Section 65584.05(g)). The council of governments has final authority to determine the distribution of the region’s housing needs “[t]o the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals.” (See Section 65584.05(g)). HCD may revise the determination of the council of governments to obtain consistency with the existing and projected housing need for the region. (See Section 65584.05(g)).

B. SANDAG Appeal Process

SANDAG received four appeals during the appeals period of November 22, 2019 to January 6, 2020. Following close of business on January 6, 2020, the appeals were posted on [SANDAG's website](#) and distributed to the planning or community development directors of each local jurisdiction and the Board consistent with Section 65584.05(c).

SANDAG received five comment letters on the appeals during the appeals comment period from January 7, 2020 to February 21, 2020.

On February 7, 2020, SANDAG issued a notice of public hearing to consider appeals and comments on appeals at a meeting of the Board on February 28, 2020, pursuant to Section 65584.05(d), which was posted on the SANDAG website and published in two local newspapers. The Executive Committee, a committee of the Board responsible for setting Board agendas and providing direction to staff in preparing items for Board consideration, was scheduled to consider proposed RHNA Appeals Hearing Procedures at its meeting on [February 14, 2020](#). Prior to the Executive Committee meeting, three of the appealing jurisdictions submitted letters to SANDAG stating that individual notice of the proposed public hearing was not received 21 days in advance of the February 28, 2020, public hearing date. To ensure compliance with the requirements of Section 65584.05(d), at its February 14, 2020, meeting, the Executive Committee approved continuing the public hearing to March 27, 2020, in addition to approving the RHNA Appeals Hearing Procedures with modifications. At its meeting on February 28, 2020, the Board ratified the Executive Committee’s actions.

On March 3, 2020, SANDAG issued a notice of the public hearing to consider appeals and comments on appeals on March 27, 2020, pursuant to Section 65584.05(d), which was provided to each jurisdiction, posted on SANDAG’s website, and published in two local newspapers.

The Board conducted the public hearing at its meeting on [March 27, 2020](#).

IV. The City’s Appeal

In a letter dated January 3, 2020, the City appealed the draft allocation. The grounds for appeal are as follows:

- (1) SANDAG failed to adequately consider the information submitted pursuant to Government Code Section 65584.04(b).
- (2) SANDAG failed to determine the share of the regional housing need in accordance with the information described in Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Government Code Section 65584(d).

A. Statutory Factors Under 65584.04(e)

1. Section 65584.04(e)(1): Jobs-Housing Relationship

Section 65584.04(e)(1) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

As described above, pursuant to Section 65584.04, SANDAG has been charged with developing the RHNA methodology in consultation with HCD. SANDAG has the discretion to develop this methodology so long as it meets all the procedural requirements under Section 65584, *et seq.*, and the methodology furthers the objectives in Section 65584(d) as ultimately determined by HCD. In compliance with the RHNA statute, SANDAG carefully developed its methodology with input from HCD and local jurisdictions.

The City argues that "[t]he employment data SANDAG used is inconsistent with data available by and from other jurisdictions to verify its accuracy and is even inconsistent with numbers shared by SANDAG staff." (City's Appeal, p. 2). It is unclear which jurisdictional data or SANDAG numbers the City is referring to.

The City also asserts that "[f]ailure to use independently verifiable jobs data sources and failure to allow each jurisdiction to understand how these numbers were generated or selected was arbitrary and without adequate support in facts." (City's Appeal, p. 2).

In fact, SANDAG performed extensive stakeholder outreach in defining the data sources available during the development of the methodology to ensure adequate opportunity for jurisdictions to comment. SANDAG made multiple presentations on the jobs data and sources, including presentations at the following public meetings:

- [April 3, 2019, TWG Meeting](#)
- [April 26, 2019, RHNA Subcommittee Meeting](#)
- [May 9, 2019, TWG Meeting](#)
- [June 6, 2019, TWG Meeting](#)
- [May 24, 2019, RHNA Subcommittee Meeting](#)

Additionally, SANDAG staff responded to the individual questions asked by jurisdiction staff about jobs data and data sources. SANDAG also presented the jobs data at city council meetings upon request. SANDAG included information about underlying data and assumptions used in the methodology in a [Frequently Asked Questions](#) document as well as the [Draft Methodology](#) document, which were both made available online.

The data source for the jobs component of the methodology is the SANDAG Employment Estimates, which are also being used to develop the latest Regional Growth Forecast. SANDAG Employment Estimates are derived from Quarterly Census of Employment and Wages (QCEW) data from the Economic Development Department (EDD) and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES) data from the Center for Economic Studies at the U.S. Census Bureau.

The LODES data combines federal, state, and Census Bureau survey data on employers and employees and SANDAG uses the QCEW dataset for its detailed geographic information on businesses to geolocate “job spaces” throughout the region. The LODES data (average of the last five years), which are available at the census block level, are used to fill the job spaces to determine total jobs within various geographies. SANDAG Employment Estimates are also supplemented by other data sources including the San Diego Military Advisory Council (SDMAC) and Defense Manpower Data Center (DMDC). Finally, the jobs data are validated against published job totals for the County from the EDD Labor Market Information’s yearly data.

Importantly, the City has failed to submit with its appeal a specific revision to the allocation or any supporting documentation or alternative data concerning the jobs component. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

2. [Section 65584.04\(e\)\(2\): Opportunities and Constraints to Development](#)

The City argues that the draft allocation fails to adequately account for the amount of land available for development in a jurisdiction. The City asserts that the lot size of the available land in the City averages less than the HCD-preferred one- to ten-acre lot size for residential development. However, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). In fact, HCD noted in its letter dated November 1, 2019, that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.” With respect to specific lot sizes of parcels, this is not a factor for consideration in determining the regional housing need allocation under state law. Jurisdictions must work closely with HCD in updating their housing elements to address unique community characteristics. Based on the above, the facts raised by the City do not support this ground for appeal.

Nevertheless, SANDAG did specifically discuss the availability of land or jurisdictional capacity in development of the methodology at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – Seven working group members and SANDAG staff discussed jurisdictional capacity at length
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The RHNA Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed land availability and jurisdictional capacity
- [May 10, 2019, Board Meeting](#) – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle, which considered a jurisdiction’s capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction’s capacity. Following receipt of this information, one Board member further discussed jurisdictional capacity

- [June 27, 2019, TWG Meeting](#) – Two working group members discussed jurisdictional capacity
- [July 26, 2019, Board Meeting](#) – Three public speakers and six Board members discussed land availability and jurisdictional capacity
- [September 6, 2019, Board Meeting](#) – Three public speakers and nine Board members discussed land availability and jurisdictional capacity.
- [November 22, 2019, Board Meeting](#) – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

Discussions around availability of land culminated in a proposal from the City for a small cities adjustment at the July 26, 2019, and September 6, 2019, meetings of the Board. Several SANDAG Board members requested staff apply a methodology that recognizes challenges for small cities by potentially reducing the number of housing units based on the population of the jurisdiction. The proposed small cities adjustment was considered in several comment letters during the public comment period and also discussed at the following public meetings:

- (1) [July 26, 2019, Board Meeting](#) – Two board members discussed the potential for a small cities adjustment.
- (2) [September 6, 2019, Board Meeting](#) – Eight board members discussed the potential for a small cities adjustment.

SANDAG staff also consulted with HCD⁷ on the potential for small cities to receive a reduced allocation. HCD did not support an adjustment based on the population of a city rather than based on the objectives in state law. HCD's position was reported to the Board at its September 6, 2019, meeting. Ultimately, the Board voted not to include the small cities adjustment in the final RHNA methodology.

The City also asserts that SANDAG did not adequately consider the City's small jurisdictional size or the restrictions imposed by the Coastal Act. As mentioned above, SANDAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions." (See Section 65584.04 (e)(2)(B)).

Additionally, the Coastal Commission recently commented on a similar statement from another jurisdiction in the San Diego Union Tribune⁸:

In a statement, Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn't mean that there are not areas within the coastal zone where significant increases in housing density are possible.

⁷ Section 65584.04(h) states that the methodology must be published on SANDAG's website and submitted to HCD after making revisions resulting from comments received during the public comment period and "as a result of consultation with [HCD]."

⁸ "San Diego County cities push back on state-mandated housing goals." San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

“To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate,” he wrote. “Over the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.”

While the legislative priorities under the Coastal Act may be different from the state law governing RHNA, this can be said about other statutory schemes affecting local land use. Consistent with past cycles of RHNA, a jurisdiction wholly or partly in the coastal zone must work with the Coastal Commission when updating the housing element in its general plan.

Finally, the City has failed to submit a specific revision to the allocation based on their Local Coastal Program. Because a specific revision was not submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, or whether the revision would be necessary to further the intent of the statutory objectives.

3. Section 65584.04(e)(3): Public Transportation and Existing Transportation Infrastructure

Section 65584.04(e)(3) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

The City argues that SANDAG did not adequately consider a broader population and geographic area served by rail stations; however, the area surrounding rail stations was discussed at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – One working group member commented that there should be consideration of building capacity around rail stations; two working group members state that they don’t support using existing capacities of any kind. In total, seven working group members and SANDAG staff discussed jurisdictional capacity at length.
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity. One of these comments included consideration of building capacity around rail stations
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed land availability and jurisdictional capacity.
- [May 10, 2019, Board Meeting](#) – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle RHNA, which considered a jurisdiction’s capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction’s capacity. Following receipt of this information, one Board member discussed jurisdictional capacity.

- [June 27, 2019, TWG Meeting](#) – Two working group members discussed jurisdictional capacity.
- [July 26, 2019, Board Meeting](#) – One Board member commented that there is no capacity to build around one of the trolley stations in their jurisdiction; another Board member commented that the train station in their jurisdiction serves four jurisdictions. In total, three public speakers and six Board members discussed land availability and jurisdictional capacity in general.
- [September 6, 2019, Board Meeting](#) – One Board member discussed the area surrounding rail stations. Three public speakers and nine Board members discussed land availability and jurisdictional capacity in general.
- [November 22, 2019, Board Meeting](#) – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

In considering the land surrounding a rail station, *Rapid* station, or major transit stop, the discussion at the above public meetings revolved around existing land use restrictions and jurisdictions’ ability to build within any radius or shed identified around the station. However, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” See Section 65584.04 (e)(2)(B). For this reason, information regarding the area surrounding rail and *Rapid* stations and major transit stops, after being considered at multiple public meetings, was not ultimately incorporated into the methodology.

In addition, the Board considered several comments received during the draft methodology public comment period discussing the same topic, including an August 8, 2019, letter from the City. In its letter, the City cites the same 2018 NCTD COASTER Survey described in its appeal, but also notes that only 42% of COASTER passengers reported traveling by car to the COASTER Station, while 13% reported traveling by rideshare or taxi and 7% by carpool or vanpool. This leaves 38% of the passengers without a known mode of travel. However, in calculating the distances cited in its appeal, the City makes an assumption that “the passengers’ average travel speed to the COASTER Station was 10 miles per hour.” The City does not present data/ evidence to support this assumption. As such, SANDAG cannot determine whether the analysis presented is based on accepted planning methodology.

Finally, the City has failed to submit a specific revision to the allocation concerning the area surrounding transit and rail stations. Because a specific revision was not requested, SANDAG cannot determine whether the revision is necessary to further the statutory objectives.

4. [Section 65584.04\(e\)\(9\): Housing Needs of Universities and Colleges](#)

Section 65584.04(e)(9) states:

- (e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

...

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

The City asserts that SANDAG did not adequately consider this factor and assumed that transit “would somehow automatically cover the housing needs of campuses.” (City’s Appeal, p. 5). However, the major universities and colleges in the region are also key employers. Therefore, jobs associated with those institutions are specifically considered in the methodology. Additionally, the major universities and community colleges in the San Diego region are in fact located in urban areas served by the existing transportation network. Prioritizing transit in the methodology encourages housing development near existing transit facilities serving these key destinations. As such, both the transit and jobs components address the housing needs generated by students, faculty, and staff at private universities and campuses of the California State University or the University of California within each affected jurisdiction.

Importantly, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of universities and colleges within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

5. Section 65584.04(e)(8): Housing Needs of Farmworkers

The City argues that the housing needs of farmworkers were “completely ignored” (City’s Appeal, p. 5). This is false. The final methodology accounts for all jobs in the region, farmworker jobs included, in allocating the regional housing needs. Notwithstanding, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of farmworkers within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

6. Section 65584.04(e)(12): The Region’s Greenhouse Gas Emissions Targets

The City argues that information related to the region’s greenhouse gas (GHG) emissions targets provided by the California Air Resource’s Board (CARB) has not been adequately considered. In late 2017, CARB published [California’s 2017 Climate Change Scoping Plan](#) (Scoping Plan) which proposes to strengthen major programs related to climate impacts and further integrate efforts to reduce both GHG emissions and air pollution. Building on Senate Bill 743, the Scoping Plan outlines high-level objectives and goals to reduce GHG emissions in the transportation sector, including land use changes and reduction in vehicle miles traveled (VMT). The Scoping Plan notes:

“While most of the GHG reductions from the transportation sector in this Scoping Plan will come from technologies and low carbon fuels, a reduction in the growth of VMT is also needed. VMT reductions are necessary to achieve the 2030 target and must be part of any strategy evaluated in this Plan. Stronger SB 375 GHG reduction targets will enable the State to make significant progress toward this goal, but alone will not provide all of the VMT growth reductions that will be needed. There is a gap between what SB 375 can provide and what is needed to meet the State’s 2030 and 2050 goals” (Scoping Plan, p. 75).

CARB's discussion addresses land use patterns and secondary emissions caused by the vehicle manufacturing industry, demand for new infrastructure, and demand for maintenance and upkeep of existing infrastructure related to population growth:

"As California's population continues to increase, land use patterns will directly impact GHG emissions from the transportation sector, as well as those associated with the conversion and development of previously undeveloped land. Specifically, where and how the State population grows will have implications on distances traveled and tailpipe emissions; as well as on secondary emissions from the transportation sector, including emissions from vehicle manufacturing and distribution, fuel refining and distribution, demand for new infrastructure (including roads, transit, and active transportation infrastructure), demand for maintenance and upkeep of existing infrastructure. Conversion of natural and working lands further affects emissions, with the attendant impacts to food security, watershed health, and ecosystems. Less dense development also demands higher energy and water use. With the exception of VMT reductions, none of these secondary emissions are currently accounted for in the GHG models used in this Scoping Plan, but are nonetheless important considerations. Additionally, compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are also not modeled but are important co-benefits of the overall transportation sector strategy. For example, high-speed rail station locations were identified in downtown areas to reinforce existing city centers" (Scoping Plan, p. 77).

Among CARB's Vibrant Communities and Landscapes / VMT Reduction Goals identified to reduce GHG emissions from the transportation sector are the following:

- Promote all feasible policies to reduce VMT, including:
 - Land use and community design that reduce VMT,
 - Transit oriented development,
 - Complete street design policies that prioritize transit, biking, and walking, and
 - Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities.
- Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use.
- Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the "first mile, last mile" gap between commuters' transit stops and their destinations.
- Continue research and development on transportation system infrastructure, including:
 - Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and
 - Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use.
- Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent, and for a walk and bike mode share of between 10 percent and 15 percent (Scoping Plan, p.76).

The Scoping Plan goes on to state that “compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are [] not modeled but are important co-benefits of the overall transportation sector strategy” (Scoping Plan, p. 77). Because the draft allocation encourages the development of housing near jobs and transit, it will provide the region’s residents with opportunities to live where they work and readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes.

Furthermore, while the City has presented some 2010 Census data, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning GHG emissions targets. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

B. Statutory Objectives in Section 65584(d)

1. Section 65584(d)(1): Increase Housing Supply

Section 65584(d)(1) states:

The regional housing needs allocation plan shall further all of the following objectives:

(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.

In its appeal, the City notes that the methodology does not consider “financial viability” of land and states that “financial assistance is severely lacking to assist cities in offsetting development costs” (City Appeal, p. 7). Neither financial viability of land nor financial assistance are factors for consideration in allocating the regional housing need under state law. In fact, in 2018 state legislation removed “[t]he market demand for housing” as a factor for consideration, and beginning in 2018, HCD introduced state funding programs to assist local jurisdictions with housing production in recognition of challenges arising from the statewide housing crisis. Notwithstanding, the economic arguments raised by the City do not support a ground for appeal.

Consistent with this statutory objective, the draft allocation distributes housing units in all four income categories to each of the region’s 19 jurisdictions. The draft allocation does so equitably, ensuring each jurisdiction receives an allocation for low- and very low income units, and further, allocating a higher share of low- and very low income units to jurisdictions that currently have a smaller share of low- and very low income households than the regional share. Because state law requires jurisdictions to zone at higher densities to accommodate their low- and very low income housing allocations, the mix of housing types will also increase.

2. Section 65584(d)(2): Promote Infill Development

Section 65584(d)(2) requires that the RHNA Plan further the following objective:

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas

reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The City argues that the draft allocation would require violation of the Coastal Act. As mentioned above, Coastal Commission Executive Director Jack Ainsworth was recently quoted in a Union Tribune article stating that “[o]ver the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.” As such, it is unclear how the draft allocation would require the City to violate the Coastal Act.

Also, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). And as described above, HCD noted in its letter dated November 1, 2019 (p. 1-2) that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.”

The City also argues that the draft allocation fails to promote infill development because “[u]nits should be allocated to jurisdictions that are not overly built out.” (City’s Appeal, p. 8). It asserts that “[b]y failing to consider the City’s inability to absorb the units it was allocated, the allocation is flawed.” (City’s Appeal, p. 8). Again, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” See Section 65584.04 (e)(2)(B). To the extent the City may be referring to the 5th Cycle RHNA methodology, which was based on general plan capacities, it is important to note that the 6th Cycle used a completely different methodology. The 6th Cycle methodology and its draft allocation address the statutory objectives set forth by the Legislature by encouraging housing development near jobs and transit, which will provide the region’s residents with opportunities to live where they work and readily access transit.

Consistent with this statutory objective, by prioritizing transit (and jobs), the methodology encourages efficient development patterns and reduces GHG emissions. An allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space (See Final Methodology, p. 11). Additionally, placing residents near jobs and transit is consistent with CARB’s identified policy goals and guidance detailed in the CARB’s Scoping Plan, which is discussed in more detail above.

3. Section 65584(d)(3): Promote Jobs Housing Relationship

Section 65584(d)(3) requires that the regional housing needs allocation plan further the following objective:

(3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

The City argues that the draft allocation undermines this statutory objective because “the methodology fails to include the number of low-wage jobs in a jurisdiction and compare it to the ratio of low-wage housing.” The statutory objective does not require this. In developing the

methodology, SANDAG conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in every jurisdiction in the region. Therefore, allocation of low and very low income housing units to all jurisdictions in the region would improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers consistent with this statutory objective.

In addition, the City questions the percentages given as weighting to the jobs and transit components of the methodology and asserts that “the percentages appear to have been taken out of thin air” (City’s Appeal, p. 9). However, members of the Board, the RHNA Subcommittee and the TWG participated in substantive discussion considering the relative weighting of jobs compared to transit at the following public meetings:

- [April 3, 2019, TWG Meeting](#) – Working group members and public attendees broke out into small groups and used laptops provided by staff to test different weightings of the components in the methodology. Following the breakout, two working group members specifically discussed giving equal or greater weight to the jobs component.
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Six subcommittee members and an additional elected official participated in a discussion of the relative weighting of the jobs and transit component. The Subcommittee received comments from three TWG working group members about the relative weighting of the jobs and transit component. These comments were included in the meeting agenda and discussed aloud at the meeting.
- [May 9, 2019, TWG Meeting](#) - Three working group members discussed the relative weighting of the jobs and transit component.
- [May 24, 2019, RHNA Subcommittee Meeting](#) – One public speaker discussed the relative weighting of the jobs and transit component.
- [June 6, 2019, TWG Meeting](#) – Four working group members discussed the relative weighting of the jobs and transit component.
- [June 27, 2019, TWG Meeting](#) – One working group member discussed the relative weighting of the jobs and transit component.
- [July 26, 2019, Board Meeting](#) – One public speaker and two Board members discussed the relative weighting of the jobs and transit component. These two Board members requested that staff provide information on an estimated allocation based on equal weighting (50-50) to the transit and jobs component. This supplemental information was provided directly to the Board and made available on the SANDAG website.
- [September 6, 2019, Board Meeting](#) – Four public speakers and three Board members discussed the relative weighting of the jobs and transit component.

Again, the City has failed to submit with its appeal a specific revision to the allocation or any supporting documentation or alternative data concerning the jobs component or its weighting. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

The City also questions the priority given to rail and *Rapid* stations over major transit stops, and asserts that the methodology should assign housing units based on all bus stops⁹ in the region, rather than major transit stops. The weighting of the transit subcomponents and the use of major transit stops as one of the subcomponents was not arbitrary; it is the direct result of substantive consideration at the following public meetings:

- [March 22, 2019, RHNA Subcommittee Meeting](#) – Five subcommittee members discussed definitions used in the transit component and the relative weighting of the transit subcomponents for nearly 1 hour
- [April 3, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component and the weighting of the transit subcomponents
- [April 26, 2019, RHNA Subcommittee Meeting](#) – Four subcommittee members discussed definitions used in the transit component. The Subcommittee received comments from three TWG working group members about the relative weighting of the transit subcomponents – one of these comments specifically discusses giving equal weight to the transit subcomponents. These comments were included in the meeting agenda and discussed aloud at the meeting.
- [May 24, 2019, RHNA Subcommittee Meeting](#) – Three subcommittee members discussed definitions used in the transit component
- [June 6, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component and one working group member discussed the relative weighting of the transit subcomponents
- [June 27, 2019, TWG Meeting](#) – Three working group member discussed definitions used in the transit component
- [July 26, 2019, Board Meeting](#) – Two public speakers and four Board members discussed definitions used in the transit component
- [September 6, 2019, Board Meeting](#) – Three public speakers and three Board members discussed definitions used in the transit component. The Board rejected a motion to exchange the major transit stops dataset used in the draft methodology with the high-frequency transit dataset.

Ultimately, rail and *Rapid* stations were more heavily weighted to reflect the significant investment the region has made to build and improve rail lines and *Rapid* routes, as well as the permanency of rail lines and *Rapid* routes relative to local bus service. Additionally, rail and *Rapid* routes have higher capacities and are among the more popular transportation services in the region.

Moreover, state law incentivizes development near a major transit stop by providing a qualifying project with the option for CEQA streamlining.¹⁰ Contrary to the City's claim, projects near major transit stops are specifically encouraged as infill opportunities. This distinguishes major transit stops from other definitions of transit in a way that furthers the statutory objective to promote

⁹ The City states that “minimizing changes in MTS locations would also help the region achieve GHG emission targets” (City's Appeal, p. 9). It is important to note that the Metropolitan Transit System (MTS) has a robust process for evaluating and adjusting existing transit services to improve performance. Specific to major service changes, including the significant realignment of a route, changes in scheduled headways, and subarea restructuring, MTS requires a public hearing and a Title VI analysis prior to the MTS Board of Directors making a final implementation decision. See MTS Policies and Procedures, No. 42 (https://www.sdmts.com/sites/default/files/policy.42.transit_service_eval_and_adjustment.pdf).

¹⁰ Public Resources Code 21099 and California Code of Regulations 15064.3(b)(1), 15182(b)(1)(A), and Appendix M.

infill development and was a primary reason in recommending the use of major transit stops to the Board.

The City eventually states that a “better” regional balance could be achieved by allocating units in the transit component based on all bus stops, or alternatively, by 50% of the units being allocated to rail and *Rapid* and 50% to major transit stops. Its appeal, however, fails to demonstrate how either approach would be necessary to further the intent of the statutory objectives.

C. Significant and Unforeseen Change in Circumstances

The City also submitted letters during the comment period requesting that SANDAG consider a new California Department of Finance (DOF) population projection released in January 2020. A prior DOF population projection was used by HCD in developing the RHNA Determination. On February 6, 2020, SANDAG staff discussed the new DOF population projection with HCD to determine how it might affect the 6th Cycle RHNA. HCD stated that the RHNA statutes do not provide a process for revising a RHNA Determination once it is final. Section 65584.01(a) provides that “[t]he department’s determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” The final RHNA Determination is produced by HCD based on the data available during the consultation process pursuant to Section 65584.01 and is not revised for either increased or decreased population estimates subsequently released. As such, SANDAG finds that the new DOF population projection does not constitute a “significant or unforeseen change in circumstances [that] has occurred in the local jurisdiction or jurisdictions . . .” See Section 65584.05(b)(3).

V. Conclusion

The City requests that SANDAG modify the draft allocation by reducing the allocation by 55% for small jurisdictions and reallocating those units to those jurisdictions whose proposed allocation is less than the Cycle 5 RHNA allocation¹¹. While not specifically included in the paragraph titled “Solana Beach’s Request for Modified Allocations” on page 10 of City’s appeal, SANDAG also has considered City’s requests to (a) adjust the allocation based on different jobs data or different jobs component weighting, (b) adjust the allocation based on a transit shed around train stations in the region, (c) adjust the allocation in the transit component based on all bus stops, or alternatively, by 50% of the units being allocated to rail and *Rapid* and 50% to major transit stops, (d) adjust the allocation to accommodate the City’s existing zoning and Local Coastal Program, (e) adjust the allocation to accommodate units for cities with college and university campuses, and (f) adjust the allocation to accommodate units for cities with farmworker jobs.

Based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City’s appeal.

¹¹ It is important to note that Section 65584.04(g) prohibits SANDAG from considering prior underproduction of housing in a city or county from the previous regional housing need allocation in determining a jurisdiction’s share of the regional housing need.



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June 19, 2020

SANDAG Board of Directors
Attn: Mr. Seth Litchney, Regional Planner
401 B Street, Suite 800
San Diego, CA 92101

Re: Supplement to City of Coronado's Appeal for Revisions to Regional Housing
Needs Assessment (RHNA) Allocations

Dear Honorable Board Members:

Much has changed since the City of Coronado (City) submitted its appeal for a revision of the share of the regional housing need proposed to be allocated to the City and other local governments under the Regional Housing Needs Assessment (RHNA) methodology adopted for the 6th cycle on January 6, 2020 in accordance with Government Code Section 65584.05.

The draft determination released before the originally scheduled hearing concedes that SANDAG incorrectly calculated the City's job totals and inappropriately assigned jobs to the City from outside its jurisdictional limits.¹ As such, the draft determination recommends that the City's draft allocation be reduced from 1,001 to 912 based on the recalculated job totals. Those job totals, however, are still inaccurate, still inappropriately include active-duty military without accounting for military housing, and still completely ignore the City's developmental constraints.

The nation, state, and local jurisdictions have declared states of emergency due to the COVID-19 pandemic. Before COVID-19, the City had only a 2.71% unemployment rate. By May 2, 2020, the City was experiencing an unprecedented 24.4% unemployment rate and that rate has continued to climb.² Not only is the City still improperly allocated active-duty military jobs, but the revised draft allocation is also disproportionately even higher because it is based on jobs that no longer exist. The California Department of Finance (DOF) released new population projections which further show the inaccuracies in the allocations and inequities in raising the City's allocation from 50 units to 912 units, an increase of 1,824% from the last cycle. Finally,

¹ https://www.sandag.org/uploads/projectid/projectid_189_27294.pdf, pp. 12-13.

² May 2, 2020 Unemployment Data by Zip Code, compiled by SANDAG staff, released May 11, 2020.

SANDAG's new hearing policies underscore the inherent and unacceptably high bias in the outcome of the appeals and require revision as well.

The changes in circumstances that have occurred in the City and the region due to COVID-19 and the accurate DOF population projections are significant, unforeseen, and merit revisions to the information submitted under Government Code Section 65584.04(b). They are additional grounds for the City's appeal under Section 65584.05(b)(2). They also show more than ever the need to push a brief pause button on this process, rethink allocations based on only jobs and transit factors, and listen to and factor in our member jurisdictions' input on the number of housing units that can actually be built under local constraints. We need to make the 6th cycle consistent with our other planning and successful, especially in these unprecedented times.

Based on these new developments, the City submits and requests that the Board consider the following supplemental information supporting the City's appeal.

I.
COVID-19 CONSTITUTES A SIGNIFICANT AND UNFORESEEN CHANGE IN CIRCUMSTANCES

A. Changed Circumstances Merit Revisions to Data Previously Relied Upon

SANDAG's draft determination on the City's appeal³ correctly notes that pursuant to Government Code Section 65584.05(b), appeals can be based on any of the following circumstances:

- (1) The council of governments...failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments...failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

The City's January 6, 2020 appeal materials⁴ set forth why the appeal should be granted under Government Code Sections 65584.05(b)(1) and (2). Since then, and since the submission of information pursuant to Government Code section 65584.04(b), the COVID-19 pandemic struck.

³ https://www.sandag.org/uploads/projectid/projectid_189_27294.pdf, p.8.

⁴ https://www.sandag.org/uploads/projectid/projectid_189_26971.pdf

As explained below, there are now also compelling grounds to grant the City's appeal under Government Code Section 65584.05(b)(3) based on the significant and unforeseen change in circumstances that has occurred in the City and the region that merits a revision of the information submitted pursuant to Government Code Section 65584.04(b).

B. COVID-19 and Its Impacts were Unforeseen

Nothing like COVID-19 has ever happened before in the history of Coronado, the region, or the nation. At the time that SANDAG was developing the methodology for the 6th cycle, we were all expecting "business as usual." In a matter of months, all that changed. While an allocation based on only two factors (jobs and transit) that ignored other statutory factors (like constraints on development) was never adequate, it is now absurd.

The pandemic has dramatically changed the world and the manner in which we live. We are now facing the question of creating "a new normal." No one can seriously dispute that COVID-19 was unforeseen when SANDAG adopted the draft allocation plan in November 2019.

C. COVID-19 and Its Impacts are Significant, Especially on the Jobs Factor

The information initially submitted pursuant to Government Code Section 65584.04(b), upon which the RHNA methodology was based and the draft allocations were calculated, included assumptions that the past regional unemployment rate of approximately 3% (2.71% for the City) would continue through the 6th cycle, that the then existing jobs would remain, and the local economy would be more or less as it was for the last five housing cycles. As it turns out, that assumption is far from the truth due to COVID-19.

As explained in the City's original appeal materials, the number of jobs assigned to Coronado was vastly inflated because it included active-duty military jobs, did not account for on-base and on-ship housing of military personnel, and included military jobs and populations that should have been assigned to the City of San Diego. As to the last of these inaccuracies, SANDAG staff agreed and recommended a minor reduction in the City of Coronado's job totals with a redistribution to the City of San Diego. That partial reduction still left Coronado with an inflated job total.

Now, due to COVID-19, the number of jobs assigned to the City is even more inflated. Job centers have been eliminated. After the Governor issued Executive Order N-33-20 on March 19, 2020 requiring everyone state-wide to stay at home, businesses closed. Some businesses closed permanently. Others will take an extended period of time before they reopen and will likely reopen with fewer employees. The impacts of COVID-19 on the local economy are dramatic and far reaching.

The City is now experiencing 24.4% unemployment as of May 2, 2020. “The region’s unemployment rate is now 30.1%”, which is continuing “at an all-time high” according to SANDAG’s most recent employment report.⁵ It is unknown whether or even if those jobs will come back.

On April 22, 2020, SANDAG reported: “Every household, community, and sector in the San Diego Regional economy has been disrupted by the COVID-19 pandemic. Some areas of the region have been impacted by layoffs more than others, and some sectors of the economy have shouldered a disproportionate burden.”⁶ “Many non-essential activities that cannot be performed remotely are seeing a high number of layoffs....”⁷ Many businesses that have remained open have down-sized their workforces due to economic pressures and social distancing requirements.

The sectors that have been the hardest hit by the pandemic are the bread and butter of the City’s micro-economy. According to SANDAG’s report, of the top three sectors that drive the local economy, tourism is the largest sector in terms of employment.⁸ This sector includes hospitality, arts and entertainment, and restaurant employment. With travel to and from the San Diego International Airport down approximately 96%, this sector has been largely impacted.⁹

For Coronado, it is unknown when or whether these sectors will recover. Tourists will not resume traveling if the population remains fearful of exposure to COVID-19. The hospitality industry is not expected to start recovering until 2025. The National Bureau of Economic Research has declared a recession resulting from COVID-19. Major employment centers are now gone. If the job market continues to remain poor, the region could see a population decrease if workers move to seek lower costs of living and greater opportunities for employment elsewhere. The effects of COVID-19 could easily be seen through this housing cycle. COVID-19 has rendered a methodology based 35% on jobs nonsensical.

At a minimum, assigning units to the City based on jobs that do not exist is fundamentally unfair and has no bearing on current realities. A 24.4% reduction in the jobs on which Coronado’s draft allocation plan was based constitutes a significant and unforeseen change in circumstances that merits a revision of the information previously submitted and relied upon. Changes to the City and the region are so dramatic that Government Code Section 65584.05(b)(3) is additional

⁵ SANDAG May 21, 2020 Update: COVID-19 Impact on the San Diego Regional Economy.

⁶ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 1, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

⁷ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 1, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

⁸ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 4, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

⁹ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 4, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

grounds for a reduction in the City's draft allocation consistent with its actual civilian jobs and numerous development constraints, which are further discussed below.

II.
SANDAG SHOULD CONSIDER ACCURATE POPULATION PROJECTIONS WHEN EVALUATING EQUITABLE DISTRIBUTIONS

A. DOF's Decreased Population Projections Also Constitute Changed Circumstances Meriting Revisions

In January 2020, the California State Department of Finance (DOF) released updated population projections for the county. SANDAG Chief Economist and Chief Analytics Officer Ray Major, sent a letter to the Board on February 6, 2020, regarding the new data. Mr. Major indicated that DOF's "new forecast indicates a 6.6% decrease in our total regional population when compared to the previous" forecasts.¹⁰

Common sense tells us that all of our planning involving transportation, jobs, and housing must be consistent. Not surprisingly, the RHNA statutes actually require that consistency. Government Code Section 65584.04(m)(1) declares that: "It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan *shall* allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy." (Emphasis added.) Because of the statutorily required consistency, the Department of Housing and Community Development (HCD) uses DOF population projections in determining the RHNA that SANDAG oversees.

While ordinarily regions are bound by HCD's allocation of the regional housing need, that is not the case for SANDAG in this 6th cycle because: (1) the previous population projections for the region were inaccurate; (2) consistent planning is required; and (3) through AB 1730, the state legislature granted SANDAG the discretion under Government Code Section 65584.05(j) to vary the process by taking additional time or even reducing the total number of housing units being allocated for the region so that our planning could be consistent.

When SANDAG updates the Regional Transportation Plan (RTP), it will rely on the current population projections from DOF reflecting a 6.6% decrease in previous population projections for the region. Consistency requires that SANDAG rely on the same accurate population projections for the regional housing need and the specific allocation of units to Coronado.

DOF's 6.6% projected population decrease from previous forecasts further shows the inaccuracy of the data relied upon in making the draft allocations. The same and best available data can and should be used when deciding any population- or transportation-based decision. Based on the accurate DOF population growth projection, the regional housing need should have increased by only 3% rather than being increased by 6%. Based on DOF's accurate population growth

¹⁰ See Attachment 1.

projections, it is unconscionable that the draft allocation to Coronado was initially 2,000% (preliminarily revised to a still shocking 1,824%) higher than the last cycle.

Even putting aside the dramatic impacts created by the COVID-19 pandemic, the accurate DOF population projections constitute a significant and unforeseen change in circumstances that merits a revision of the information previously submitted and relied upon. When the actual population growth is considered, combined with the largest loss of jobs in history, changes to the City and the region are another grounds for reducing the City's draft allocation under Government Code Section 65584.05(b)(3).

The Board should also consider that the draft allocations did not take into account current population estimates from DOF, which was information that was readily available and was required to be taken into consideration under Government Code Section 65584.04(b)(3). The revision that the City proposes is necessary to meet the statutory objectives in Government Code Section 65584(d) as pointed out in the original appeal letter.

B. Allocating Less than the Total RHNA is within SANDAG's Authority

One question that DOF's accurate population projections presents to the Board is how to reconcile the changed circumstances with the previous suggestions from HCD regarding the total regional need. Fortunately, the Board has an easy solution. For every regional body other than SANDAG, Government Code Section 65584.05(f) requires that, in deciding appeals to RHNA allocations, those bodies must distribute the entire regional housing need as determined by HCD. However, AB 1730 transformed that into a discretionary action for SANDAG's determination through Government Code Section 65584.05(j).

The state legislature expressly exempted SANDAG from being bound by HCD's determination and took the regional allocation power out of HCD's hands and placed it firmly under SANDAG's authority. Therefore, it does not matter that HCD has not officially changed the regional allocation based on the accurate DOF numbers; SANDAG can do it directly as part of the appeal process.

This is important because after SANDAG grants the appeals, it has to decide how or whether to reallocate those units. Based on the authority granted by AB 1730, the City recommends that SANDAG reduce the total regional allocation according to the accurate DOF population projections (*i.e.*, a 3% increase from the 5th cycle rather than the 6% increase suggested by HCD). That reduction will be more than sufficient to reduce the allocations to Coronado and each of the other three appealing cities by the amounts that they have each requested.

III.

DUE PROCESS REQUIRES A FAIR AND IMPARTIAL HEARING

A. Background

On March 19, 2020, the Governor issued Executive Order N-33-20 requiring everyone state-wide to stay at home. The national, state, and local jurisdictions have declared states of emergency. Our member jurisdictions, and SANDAG itself, have suspended all but essential services. We have all been extraordinarily occupied in dealing with this public health crisis and keeping our citizens safe. The RHNA appeals hearing itself was continued due to the public health emergency and ultimately scheduled to go forward on June 26, 2020, employing remote conferencing technology.¹¹

With a virtual hearing, full public participation and access have been denied. This makes it even more important to afford due process in the remaining aspects of this quasi-judicial hearing process.

In recognition that due process requires policies and procedures known to an appellant and distributed in advance, the Executive Committee met on February 14, 2020 to consider adopting policies and procedures related to hearing appeals filed under Government Code Section 65584.05. The City of Coronado, together with other cities, objected to the proposed procedures and advocated for adjustments to ensure that the four appeals are decided in accordance with constitutional due process. See Attachment 1.

Consistent with the pattern that has repeated itself throughout the RHNA process, the Executive Committee rejected the City's concerns in favor of a procedure that would ensure that the City of San Diego would continue to have its way and force its outcome in deciding the appeals with a weighted vote.

Adding insult to injury, instead of submitting the City's objections and having the RHNA appeal hearing procedures discussed by the full Board, the objections were not included in the Board materials and the adoption was buried in the middle of consent items with a misleading title.¹² One can conclude that this was not unintentional but in the context of a quasi-judicial hearing, it is unconstitutional.

The failure to bring the appealing cities' concerns about procedural safeguards to the attention of the full Board is also further evidence of the actual bias in the RHNA process. The City urges the Board to take a careful look at SANDAG's policies and procedures in light of constitutional requirements. If the Board does so in an unbiased fashion, it will conclude that the voting

¹¹ The City objects to the virtual nature of the hearing and lack of opportunity for a full and fair hearing with unrestricted public participation.

¹² The Board of Directors was asked to "ratify the actions taken by the Policy Advisory Committees."
https://www.sandag.org/uploads/meetingid/meetingid_5398_27205.pdf

procedure that should be employed is the tally mechanism of one vote per city. Instead of a weighted vote, a simple majority should decide the appeals as a necessary procedural safeguard.

B. To Avoid Constitutional Error, All the RHNA Appeals Must Be Decided Through a Fair Hearing and Impartial Process

RHNA allocations came into being in the Housing Element Act of 1969. Since that time, SANDAG has successfully adopted methodologies for five RHNA cycles that were the result of regional consensus and allocations resulting from those that were never appealed before. What brought about the appeals in this 6th round? The passage of AB 805 in 2017 and its disenfranchisement of the will of the majority through a new weighted voting scheme. Because of the multiple failed motions early in the RHNA process for the 6th cycle, the majority failed to produce just results. Four appeals followed.

These four appeals require SANDAG to take adjudicatory actions, in contrast to the primarily legislative decisions that the Board has made so far in the RHNA process. As quasi-judicial proceedings, SANDAG must employ procedural and substantive safeguards appropriate to such proceedings.

The genesis of the RHNA Appeals Hearing Procedure was the recognition of the fundamental need for due process to be afforded in the appeals. However, the procedures fall short of the constitutionally mandated protections by attempting to apply the “standard” voting policy. The appealing cities are entitled to a fair hearing employing voting procedures that do not create an unacceptable risk of bias nor disenfranchise the citizens of Imperial Beach, Lemon Grove, Solana Beach, and Coronado. The Board has an opportunity to ensure that now. The procedural mechanism of one vote per city should be employed to ensure that the appeals for revisions to the RHNA allocations are decided fairly and without bias.

When SANDAG amended its Bylaws, Article IV, Section 5, in 2018 to make changes to the voting procedures, the impacts had not been manifested. In practice, regardless of the opposition and overwhelming views of the supermajority of jurisdictions, the City of San Diego has played its AB 805 trump card and had its way on any and all issues, in all procedural contexts. This may be permissible in the legislative arena. But it is fundamentally unfair in adjudicatory contexts. Under AB 805 (Government Code section 120102.5(f)), the Board can adopt policies and procedures governing different voting mechanisms for different actions. Article IV, Section 5(a) of the Bylaws recognizes that: “After the tally vote of the Board Members is taken, a weighted vote **may** be called by the Board Members of any two Member Agencies **unless otherwise required by law.**” (Emphasis added.) Here, the constitution requires that only a tally vote be taken.

To see why AB 805 weighting cannot be applied to adjudicatory decisions without running afoul of constitutional imperatives like impartiality and due process, one need only review the RHNA proceedings thus far. An overwhelming number of jurisdictions disagreed with the City of San Diego in every vote involving the adoption of the draft and final methodology for this 6th cycle. In response, the City of San Diego called for a weighted vote. With opposition from 13 or 14

jurisdictions, the City of San Diego was successful in advancing its RHNA agenda, ignoring what makes sense for the region and disregarding what the RHNA statutory objectives require (like mandatory inclusion of a factor for developmental constraints). The overwhelming feedback from a super majority of other cities was squashed. The City of San Diego has shown itself to be actually biased in the RHNA outcomes. That was further evident in the decisions taken with respect to the appeal procedures as discussed above.

While such bias may be acceptable in the legislative decisions to adopt the methodology, it is intolerable in proceedings that are quasi-judicial in nature. Unlike legislative actions, when an administrative agency makes adjudicative decisions, like on these appeals, due process of law requires a fair tribunal. A fair tribunal is one in which the decision maker is free of bias for or against a party, including its investment in a pre-judged outcome. The voting outcomes on RHNA issues after AB 805's passage show a situation in which experience teaches that the probability of actual bias on the part of the decision maker when a weighted vote is employed is too high to be constitutionally tolerable. AB 805 cannot be employed in the adjudicatory context of a RHNA appeal because the particular combination of circumstances present would create an unacceptable risk of bias.

The Board can avoid such an unconstitutional outcome by revising the policy to utilize a tally vote when deciding RHNA appeals. Such a policy is proper under Government Code section 120102.5(f) and Article IV, Section 5(a) of the Bylaws. It also avoids a circumstance where AB 805 could be challenged in its entirety as unconstitutional. There is no fiscal or administrative burden in applying the tally voting mechanism only. The risk of erroneous deprivation of rights is high through employing the procedure of a weighted vote. In addition, the probable value of employing the procedural safeguard of a tally vote is high.

To a certain extent, each member is interested in the outcome of the appeal. An appeal policy of one city, one vote minimizes the risk of error because, but no one member is forcing its agenda and disenfranchising the rest. Therefore, the procedural safeguard of one vote per city (a tally vote only) should be applied in deciding the RHNA allocation appeals.

C. SANDAG Should Consider and Decide the Appeals Together

As an association of governments, SANDAG makes regional planning decisions that impact us all and are often inter-related. Deciding the RHNA appeals is no different. While there are four jurisdictions that have filed appeals, SANDAG will be making one decision regarding the draft final allocation plan. Government Code section 65584.05(d) requires that all appeals be heard at the same time in one public hearing in recognition of the fact that RHNA appeals are inherently inter-related with each member jurisdiction being interested in the outcome. Reading all four appeals together also underscores significant problems in the draft allocations and raises a common theme: circumstances have changed and more statutory factors and local input is needed. To ensure consistency and fairness, and avoid potentially conflicting results, SANDAG should consider and decide all the appeals at the same time rather than alphabetically.

IV.
THE CITY'S APPEAL SHOULD BE GRANTED

A. COVID-19 and DOF Projections are Significant and Unforeseen Changes in Coronado's Circumstances

On their own, both COVID-19 and the new DOF population projections constitute significant unforeseen changes in circumstances in Coronado that merit reducing the City's draft allocation pursuant to Government Code Section 65584.05(b)(3), as discussed above. Combined, these events show the danger of extreme inaccuracies caused by too few factors being included as inputs in a methodology. The job totals on which the methodology was based, even after the draft revisions, no longer have any relation to the current jobs in the City—job figures that were already admittedly inaccurate and overly inflated due to inclusion of active-duty military.

The COVID-19 pandemic and its aftermath present the biggest planning challenge that the region has ever faced. That planning challenge should not be compounded by RHNA allocations that have no recognition of local constraints or actual jobs and available housing. The City's draft allocation was infeasible before. The economic impacts of COVID-19 make it even more so. Before COVID-19, sparse, spread-out, small developable lots, in limited number and at a high cost, make building affordable housing in the City unattractive and unlikely for developers. COVID-19 has impacted budgets everywhere, reducing grant funding required to make affordable housing projects buildable and making private investors more selective with the fewer dollars they have available. The changed circumstances are another reason why the City's draft allocation is impossible to meet.

B. SANDAG did not Adequately Consider the Information Submitted Because it was Not Included in any Fashion as a Mathematical Factor in the Draft Allocation

In a conclusory fashion, with no support or analysis, the draft determination states that the information that the City submitted was adequately considered. That is false and unsupported. References to information in lower level committee discussions fail to constitute adequate consideration. Instead, it is an admission that the information was readily available and completely ignored. Adequate consideration does not equate to merely discussing an issue. The adequate consideration that the RHNA statutes require is: (1) for the information to actually be incorporated into the methodology and the allocation in a concrete manner, and (2) for the information to be incorporated in an adequate fashion rather than a minimal or minor fashion.

Pursuant to Government Code Section 65584.04, **all** the statutory factors were required to be included in the methodology to allocate regional housing needs as mathematical impacts. Throughout the methodology development process, factors were acknowledged together with an admission that there was a deliberate choice being made to ignore some of them because factors and adjustments for local government conditions “would have created a

complicated formula” and having an oversimplified methodology that was “understandable” was chosen over state law mandatory factors.¹³

Accordingly, and contrary to the statutory mandate, the draft allocation to Coronado failed to adequately consider the information that the City submitted or that was readily available from other jurisdictions and sources related to many of the statutory factors because they were deliberately excluded. Failing to incorporate information relevant to statutory factors into the allocations is not adequate consideration; it is a reversible error.

It is easy to see that the information was not adequately considered because it was not included anywhere in the formula or the draft allocation as a mathematical adjustment, specifically:

1. The draft allocation failed to adequately consider the information Coronado submitted related to Government Code Section 65584.04(e)(1) because it included active-duty military jobs while ignoring military housing, and the data is unverified.

Pursuant to Government Code Section 65584.04(e)(1), SANDAG was required to include in the formula and draft allocation a factor based on “Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.”

Nevertheless, the proposed allocation fails to contain this statutory factor because it accounts for active-duty military jobs but completely ignores military housing provided by the U.S. Federal Government. Most active duty military personnel live in no-cost (i.e., affordable) on-base housing, aboard ships, or in government subsidized off-base military housing. SANDAG’s proposed allocation to Coronado, and other cities with active duty military, is fatally flawed because it effectively requires member agencies with military installations to plan for additional housing for employees who are already housed in either no-cost or low-cost housing provided by the federal government. Not including this in the formula is not adequate consideration; it is proof of no consideration.

More egregiously, SANDAG staff recognized this flaw during preparation of the draft RHNA formula and therefore recommended removing active duty military jobs that had government provided housing. Inexplicably, the SANDAG Board of Directors (Board) voted against this rational amendment resulting in an unbalanced and defective proposed allocation to the City. The fact that a housed military adjustment was discussed and advocated for, as referenced in the draft determination, shows that this factor was intentionally ignored and given no mathematical consideration or weight despite the information being readily available. If the Board decides to keep active-duty military jobs in the allocation, it must also account for existing affordable

¹³ See, e.g., SANDAG November 22, 2019 Final 6th Cycle Regional Housing Needs Assessment Methodology, p.8-9, https://www.sandag.org/uploads/projectid/projectid_189_26874.pdf

housing already provided for active duty military personnel. Either way, a revision to the draft allocation to Coronado is necessary to further the intent of the statutory factor to link jobs to housing.

The treatment of including military jobs and omitting no-cost and low-cost military housing also casts doubt on the veracity of SANDAG's proposed equity adjustment. SANDAG's formula of including all military jobs while excluding military housing produces 2.88 total jobs to housing ratio for Coronado which is the highest in the region and over two times higher than the regional average of 1.39. Furthermore, excluding military households living in federally subsidized housing likely results in an undercount of existing very low-, low-, and moderate-income households and an inflated equity adjustment for Coronado.

While the draft determination corrects some of the errors in the City's job totals, it does not go far enough. The draft determination admits the military housing numbers were readily available and that the decision was made not to consult the Navy for accurate figures.¹⁴ Including active-duty military jobs and excluding the low or no-cost housing in which they live is inappropriate and directly contrary to the RHNA statutes.

2. The draft allocation failed to adequately consider the information Coronado submitted related to Government Code Section 65584.04(e)(2) because the City's unique development constraints are not factored in.

Pursuant to Government Code Section 65584.04(e)(2), the RHNA formula and draft allocation is required to include a factor based on "[t]he opportunities and constraints to development of additional housing in each member jurisdiction." The draft determination itself admits that the priorities under the Coastal Act are different from the state law governing RHNA.¹⁵

Nevertheless, the proposed allocation fails in any manner to account for Coronado's unique constraints to development and the draft determination dismisses them summarily without facts or analysis. Approximately 71% of the City's total land area (~7.7 square miles) falls under the jurisdiction of the U.S. Navy, the Unified Port District of San Diego, and the California Department of Parks and Recreation. The City has no land use authority over these areas and consequently cannot consider these areas when planning for future housing. No other city in San Diego County has a majority of its land area occupied by other local, state, and federal agencies.

The remaining 2.2 square miles that fall under the City's direct land use authority is densely developed with a high concentration of multi-family housing. Of the 2.2 square miles within the City's land use jurisdiction, approximately 465 acres, or .73 square miles are unavailable for higher density residential development as outlined in the table below and shown in Attachment 4 to the City's original appeal letter. Consequently, only 1.5 square miles of land is available in Coronado to accommodate a RHNA allocation.

¹⁴ https://www.sandag.org/uploads/projectid/projectid_189_27294.pdf, p. 11.

¹⁵ https://www.sandag.org/uploads/projectid/projectid_189_27294.pdf, p. 14.

Land Use Constraint	Acreage
APZ I (Accident Potential Zone)	174
APZ II	22
Airport Clear Zone	78
Historic Designation	86
Commercial Recreation Zone (Coronado Shores, Coronado Yacht Club, Recreation areas)	16
Civic Uses	42
Visitor Serving Hotel/Motel Zone	49
TOTAL	467 Acres (.73 square-miles)

In addition to the extremely small developable area, approximately 95% of the City is zoned for residential use and there are very few vacant properties available to accommodate new housing. The City is also constrained by the Airport Influence Area and Accident Potential Zones of NASNI, which prevent any redevelopment with increased density and intensity or height. Vice-Chair Blakespear’s comment “that the state doesn’t consider any city to ever be built out” because “the state always see that you have room to go up”¹⁶ may be true for some cities but is false for Coronado, which does have height and other restrictions.

Added to airport-related height restrictions and increased density or intensified residential use prohibitions, the entire City of Coronado is also within the Coastal Zone. In 1972, California voters passed Proposition 20, the Coastal Zone Conservation Act, to protect public access to the coast, to promote visitor-serving uses, and to limit residential development and speculation along the coast. The Coastal Act was subsequently adopted in 1976 and the California Coastal Commission was formed to administer the Coastal Act. Residential uses are not coastal dependent uses and new high-density, multi-family housing would require Coastal Commission approval.

Given all these constraints unique to Coronado, none of which were factored into the draft allocation as statutorily required, the City’s planners carefully analyzed what could potentially be accommodated under the very best case scenario and if the Coastal Commission were to approve every project proposal. In the last housing cycle, Coronado was assigned 50 units. The fact is that, even if the City does everything that it possibly can, the maximum number of units that could potentially be built this cycle is 200, which is still a 400% increase from the last cycle.

If any more than 200 new housing units are allocated to Coronado, they simply could not be built. Any attempt to do so would require a significant overhaul of the City’s certified Local Coastal Program, including rezoning to allow more residential uses in commercial and visitor-serving zones, increasing height, floor area ratio, and density allowances, and reductions in off-street parking standards that would be contrary to the Coastal Act’s requirements for coastal

¹⁶ Vice-Chair Blakespear’s discussion on item 12, May 10, 2019 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD051019&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=5/10/2019>

access, coastal views, and protection of visitor-serving uses. While SANDAG is permitted to consider a member agency's ability to change its zoning, it cannot require members to violate other laws to do so. 200 units is the maximum that the City could achieve under the most optimistic scenario without violating the Coastal Act or other regulatory constraints over which the City has no control.

Why were Coronado's constraints ignored thus far? In addition to the injection of bias into the policy choices by the largest city in the region, the decision appears to have been based on statements that individual city adjustments would be a "red flag" to the California Department of Housing and Community Development (HCD).¹⁷ However, that it would be a hypothetical red flag is blatantly false because Government Code Section 65584.04(e)(2) *requires* SANDAG to look at each member jurisdiction individually. Because SANDAG refused to do so, the draft allocation to Coronado is not only flawed, but is also not supported by law.

Moreover, the false narrative appearing throughout the RHNA proceedings that deference should be given to HCD's opinions is misplaced. SANDAG is not subservient to HCD, but is the final decision maker in how the units are allocated. SANDAG has the statutory authority to overrule HCD as to the ultimate RHNA methodology under Government Code Section 65584.04(i)(2). Also, AB 1730 gave SANDAG further discretionary authority to overrule HCD and tailor a plan unique to this region. SANDAG should follow the statutory mandates in exercising its allocation power, not some unfounded fear about illusory repercussions from HCD.

3. The draft allocation failed to adequately consider the information Coronado submitted related to Government Code Section 65584.04(e)(12) because the unique characteristics of active-duty military jobs was excluded for the first time in RHNA cycle history.

Pursuant to Government Code Section 65584.04(e)(12), the RHNA formula and draft allocation was to include "[a]ny other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65080...." In every past RHNA cycle, the unique characteristics of active-duty military jobs was a factor that was appropriately included. Why then was there a dramatic departure from past RHNA methodologies and a totally blind eye taken to the realities of military jobs and adequate military housing (which is in any event, the responsibility of the federal government and not the City)?

The apparent source for the striking departure from past RHNA methodologies is what appears to be misunderstood comments from SANDAG staff that HCD "basically needs to sign off on" the formula and "they would not accept the old methodology...."¹⁸ Those comments were,

¹⁷ See staff discussion on item 7, September 6, 2019 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD090619&cName=Board%20of%20Directors&mType=Special%20Session&mDate=9/6/2019>

¹⁸ Comments by Seth Litchney and Hasan Ikhrata, respectively on item 12, May 10, 2019 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD051019&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=5/10/2019>

unfortunately, incorrect and are alluded to in the draft determination. While HCD had the ability to comment on the methodology, SANDAG could have adopted it over any HCD objection under Government Code Section 65584.04(i)(2) and under AB 1730. Excluding active-duty military jobs is necessary to further the RHNA statutory objectives discussed below and was a proper factor under Government Code Section 65584.04(e)(12).

Additional information that was not considered was the desire of other member agencies to absorb additional units that cannot be accommodated in jurisdictions like Coronado. This comes down to constraints on development or lack thereof (i.e. opportunities for development). Throughout the RHNA proceedings, various members indicated that they wanted more units. Indeed, many jurisdictions have planned for more units than they are slated to receive in this cycle. The consistent administrative focus on an overly "simple" transit/jobs formula was without consideration for what each member wanted or could realistically build based on constraints. It also caused the Board to lose sight of what had worked in all the past cycles. The factors that SANDAG applied under Government Code Section 65584.04(e)(12) successfully in past cycles should be used to revise the draft allocation to bring it into line with RHNA's statutory objectives.

The importance of including more factors under Government Code Section 65584.04(e)(12) is underscored by the impacts of the COVID-19 pandemic. With a methodology relying only on jobs that no longer exist and transit that is not being utilized, additional factors must be added in to bring the allocations closer in line to the real data and circumstances the City is facing.

C. SANDAG Should Adjust the Draft Allocation to Further the Statutory Objectives in Government Code Section 65584(d)

In addition to the determination of the City's share of the regional housing need not being in accordance with the information described in Government Code Section 65584.04, and the fact that information submitted merits revisions based on COVID-19 job losses and updated DOF population projections, but the draft allocation undermines, rather than furthers, the intent of the objectives listed Government Code Section 65584(d), which is directly contrary to statutory requirements. Statements to the contrary in the draft determination are conclusory and without support.

Pursuant to Government Code Section 65584(d), as submitted pursuant to Section 65584.04(b), and even as adjusted due to changed circumstances, the regional housing needs allocation plan must further all of the statutory objectives, not just some. Currently, it does not because:

1. The draft allocation to Coronado undermines the statutory objective under Government Code Section 65584(d)(1) because it does not assign housing units in an equitable manner.

Under Government Code Section 65584(d)(1), the statutory objective that the draft allocation is required to further is: "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.”

Coronado's draft allocation undermines this statutory objective because it does not assign housing units in an equitable manner. While the region was assigned a 6% increase (which should have only been a 3% increase based on accurate DOF population projections), the proposed allocation represents an adjusted 1,824% increase from the City of Coronado's prior RHNA allocation. The four appealing cities each received inequitable assignments, with the City of Solana Beach assigned a 258% increase, the City of Lemon Grove assigned a 440% increase and the City of Imperial Beach assigned the second largest increase of 541% from the last cycle. At either the initial 2,000% or the draft adjustment at 1,824%, Coronado's increase is disproportionately higher than the increase proposed for any other city in the region and is egregious compared to the projected 3% population growth.

Also inequitably and inexplicably, by including active-duty military jobs, but not no-cost and low-cost federal government provided or subsidized housing, the formula does not accurately reflect the mix of existing housing types and affordability levels existing in Coronado. This disjunctive approach results in an inequitable allocation of total housing units and low- and very-low income units and thus fails to comply with this statutory objective.

Finally, assigning 35% of the units based on jobs that no longer exist is inequitable and unconscionable.

2. The draft allocation to Coronado undermines the statutory objective under Government Code Section 65584(d)(3) because it does not account for no-cost and low-cost federal housing already provided to active-duty military personnel.

Under Government Code Section 65584(d)(3), the statutory objective that the draft allocation is required to further is: “Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.”

Coronado's draft allocation undermines this statutory objective because it does not account for no-cost and low-cost housing already provided to active-duty military personnel. Since most active-duty military personnel already have government funded housing, any new housing built as a result of the RHNA process will not be for the benefit of service men and women stationed in Coronado.

In addition, active duty military jobs are fundamentally different from other traditional job types. Coronado residents cannot apply for an active duty Navy job located in Coronado. People who enlist in the Navy cannot choose where they wish to be stationed or deployed; and consequently, construction of new housing in Coronado will not promote an improved intraregional relationship between jobs and housing.

A revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed Government Code Section 65584(d).

V.
**THE FINAL ALLOCATION SHOULD TAKE LOCAL INPUT,
CONSTRAINTS AND CHANGED CIRCUMSTANCES INTO ACCOUNT**

Before COVID-19, the draft allocation relied on data that inaccurately assigned too many jobs to the City of Coronado. SANDAG staff admitted some of the inaccuracies and slightly reduced the job total, but still left it overly inflated. After COVID-19, an additional approximately 24.4% of the jobs assigned to the City no longer exist. With massive job losses and commuting patterns forever changed, a methodology based on only two factors is ludicrous, especially under the changed circumstances. In addition, assigning the City a 2,000% or even an 1,824% increase from past cycles when DOF estimates the regional population will only increase by 3% is inequitable and makes no sense.

Lastly, and most importantly, the RHNA statutes require that SANDAG include a factor in its formula to adjust for specific local constraints. In Coronado, those constraints make building any more than 200 units within the City's extremely small municipally controlled land use area impossible without violating other state requirements, like those in the Coastal Act, or regulations, like restrictions around airports.

Accordingly, the City respectfully requests that the Board grant its appeal and reduce its RHNA allocation to 200 units. That would still result in a 400% increase from the last cycle and be extraordinarily difficult to achieve. The remaining units from the City's draft allocation can be deducted from the regional total under AB 1730 and the accurate DOF estimates or redistributed.

Respectfully Submitted,



Richard Bailey, Mayor
City of Coronado



Whitney Benzian, Mayor Pro Tem
City of Coronado



Mike Donovan, Councilmember
City of Coronado



Marvin Heinze, Councilmember
City of Coronado



Bill Sandke, Councilmember
City of Coronado

Attachment 1 – City of Coronado's February 13, 2020 Letter to SANDAG's Executive Committee
Attachment 2 – Proposed SANDAG Resolution on Findings on Coronado RHNA Appeal

cc: Hasan Ikharta, Executive Director, SANDAG
Coleen Clementson, Director of Regional Planning, SANDAG
Blair King, City Manager, City of Coronado



CITY OF CORONADO

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February 12, 2020

SANDAG Executive Committee Members
Attn: Mr. Seth Litchney, Senior Regional Planner
401 B Street, Suite 800
San Diego, CA 92101

RE: February 14, 2020, SANDAG Executive Committee Agenda Item 5
Regional Housing Needs Assessment (RHNA) Proposed Appeals Hearing Procedures

Dear Honorable Executive Committee Members:

The Executive Committee will be considering adopting policies and procedures related to hearing appeals filed under Government Code Section 65584.05 for revisions of the shares of the regional housing need proposed to be allocated under the Regional Housing Needs Assessment (RHNA) methodology adopted for the 6th cycle in its February 14, 2020, meeting. While the proposed appeals hearing procedures are a step in the right direction, they require revisions to ensure that the four appeals that were filed are decided in accordance with constitutional due process. The City of Coronado encourages the Committee to make the following changes to the draft RHNA Appeals Hearing Procedures:

First, and as discussed further below, the voting procedure that should be employed is the tally mechanism of one vote per city; a simple majority, not a weighted vote, should decide the appeals as a necessary procedural safeguard.

Second, the rebuttal time for each appealing city should be moved to after public comment to enable the appellants to respond to such comments.

Third, public hearing date for the appeals must be moved to a date at least 21 days after notice of the hearing is provided to all local governments as required under Government Code section 65584.05. In addition, the appeals hearing should be moved to a date that allows analysis of the newly released Department of Finance projections that show a decrease in population for the region of 6.6%.

To Avoid Constitutional Error, All the RHNA Appeals Must Be Decided Through a Fair Hearing and Impartial Process

RHNA allocations came into being in the Housing Element Act of 1969. Since that time, SANDAG has successfully adopted methodologies for five RHNA cycles that were the result of

regional consensus and allocations resulting from those were never appealed before. What brought about the appeals in this 6th round? The passage of AB 805 in 2017 and its disenfranchisement of the will of the majority through a new weighted voting scheme. Because of the multiple failed motions early in the RHNA process for the 6th cycle, the majority will failed to produce just results. Four appeals followed.

These four appeals require SANDAG to take adjudicatory actions, as opposed to the primarily legislative decisions that the Board has made so far in the RHNA process. As quasi-judicial proceedings, SANDAG must employ procedural and substantive safeguards appropriate to such proceedings.

The Proposed RHNA Appeals Hearing Procedure recognize the fundamental need for due process to be afforded in the appeals. However, the proposed procedures fall short of the constitutionally mandated protections by attempting to apply the “standard” voting policy. The appealing cities are entitled to a fair hearing employing voting procedures that do not create an unacceptable risk of bias nor disenfranchise the citizens of Imperial Beach, Lemon Grove, Solana Beach and Coronado. The Executive Committee has an opportunity to ensure that now. The procedural mechanism of one vote per city should be employed to ensure that the appeals for revisions to the RHNA allocations are decided fairly and without bias.

When SANDAG amended its Bylaws, Article IV, Section 5, in 2018 to make changes to the voting procedures, the impacts had not been manifested. In practice, regardless of the opposition and overwhelming views of the supermajority of jurisdictions, the City of San Diego has played its AB 805 trump card and had its way on any and all issues, in all procedural contexts. This may be permissible in the legislative arena. But it is fundamentally unfair in adjudicatory contexts. Under AB 805 (Government Code section 120102.5(f)), the Board can adopt policies and procedures governing different voting mechanisms for different actions. Article IV, Section 5(a) of the Bylaws recognizes that: “After the tally vote of the Board Members is taken, a weighted vote **may** be called by the Board Members of any two Member Agencies **unless otherwise required by law.**” (Emphasis added.) Here, the constitution requires that only a tally vote be taken.

To see why AB 805 weighting cannot be applied to adjudicatory decisions without running afoul of constitutional imperatives like impartiality and due process one need only review the RHNA proceedings thus far. An overwhelming number of jurisdictions disagreed with the City of San Diego in every vote involving the adoption of the draft and final methodology for this 6th cycle. In response, the City of San Diego called for a weighted vote. With opposition from 13 or 14 jurisdictions, the City of San Diego was successful in steam rolling its RHNA agenda through, ignoring what makes sense for the region and disregarding what the RHNA statutory objectives require. The overwhelming feedback from a super majority of other cities was squashed. The City of San Diego has shown itself to be actually biased in the RHNA outcomes.

While such bias may be acceptable in the legislative decisions to adopt the methodology, it is intolerable in proceedings that are quasi-judicial in nature. Unlike legislative actions, when an administrative agency makes adjudicative decisions, like on these appeals, due process of law

requires a fair tribunal. A fair tribunal is one in which the decision maker is free of bias for or against a party, including its investment in a pre-judged outcome. The voting outcomes on RHNA issues after AB 805's passage show a situation in which experience teaches that the probability of actual bias on the part of the decision maker when a weighted vote is employed is too high to be constitutionally tolerable. AB 805 cannot be employed in the adjudicatory context of a RHNA appeal because the particular combination of circumstances present would create an unacceptable risk of bias.

The Executive Committee can avoid such an unconstitutional outcome by adopting a policy to utilize a tally vote when deciding RHNA appeals. Such a policy is proper under Government Code section 120102.5(f) and Article IV, Section 5(a) of the Bylaws. It also avoids a circumstance where AB 805 could be challenged in its entirety as unconstitutional. There is no fiscal or administrative burden in applying the tally voting mechanism only. The risk of erroneous deprivation of rights is high through employing the procedure of a weighted vote. In addition, the probable value of employing the procedural safeguard of a tally vote is high. To a certain extent, each member is interested in the outcome of the appeal. An appeal policy of one city, one vote minimizes the risk of error because, but no one member is forcing its agenda and disenfranchising on the rest. Therefore, the procedural safeguard of one vote per city (a tally vote only) should be applied in deciding the RHNA allocation appeals.

Respectfully Submitted,



Blair King, City Manager
City of Coronado

cc: Hasan Ikhata, Executive Director, SANDAG
Coleen Clementson, Director of Regional Planning, SANDAG
City Councilmembers of the City of Coronado

SANDAG

RESOLUTION NO. 2020-____

A Resolution and Final Determination Accepting the Appeal of the City of Coronado for Revision to its Draft Allocations of Regional Housing Needs Assessment for the 6th Housing Element Cycle (2021-2029)

WHEREAS, the California Department of Housing and Community Development (HCD) provided SANDAG with a regional housing needs number of 171,685 units distributed to four income categories: very low (24.7%); low (15.5%); moderate (17.3%); and above-moderate (42.5%) for the Sixth Cycle based on old and erroneous California Department of Finance (DOF) population projections and before the novel coronavirus (COVID-19) pandemic emerged.

WHEREAS, SANDAG staff developed a draft methodology to distribute HCD's housing allocation throughout the region for all affected jurisdictions and the SANDAG Board of Directors released the Draft Sixth Cycle RHNA Methodology for public comment on July 26, 2019.

WHEREAS, on September 6, 2019, the SANDAG Board of Directors conducted a public hearing at which time it received oral and written communications on the draft methodology and closed the public comment period. At this hearing, and previously during the RHNA proceedings, the City of Coronado presented the City's objections to the draft methodology. On the same day, the SANDAG Board of Directors authorized the transmittal of the RHNA draft methodology to HCD for its 60-day review period.

WHEREAS, on November 1, 2019, HCD determined that the RHNA draft methodology meets state standards.

WHEREAS, SANDAG is the final decision-maker regarding whether the RHNA methodology and allocation plan meet state standards.

WHEREAS, on November 22, 2019, the SANDAG Board of Directors, through a weighted vote, adopted the RHNA draft methodology without any changes, over the objections of the region's most constrained communities, including the City of Coronado. On November 22, 2019, the SANDAG Board of Directors also released the draft allocation, which was calculated based on the RHNA methodology.

WHEREAS, on January 6, 2020, the City of Coronado timely submitted its appeal for a revision to its draft allocation pursuant to Government Code Section 65584.05.

WHEREAS, SANDAG received comments on the City of Coronado's appeal.

WHEREAS, in January 2020, DOF released updated and accurate population projections for the region showing a 6.6% decrease in the population projections from the previous estimate

on which SANDAG and HCD had previously relied; showing that the region's population for the Sixth RHNA Cycle will only increase by 3%, instead of 6%; and making the regional housing need less than previously estimated.

WHEREAS, SANDAG desires consistency in planning involving transportation, jobs and housing and Government Code Section 65584.04(m)(1) declares that: "It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan *shall* allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy."

WHEREAS, effective January 31, 2020, through AB1730, the state legislature granted SANDAG the discretion under Government Code Section 65584.05(j) to vary the RHNA process, including the ability to reduce the total number of housing units being allocated for the region so that planning could be consistent.

WHEREAS, the RHNA methodology and the draft allocation plan was based population projections and jobs data as of the dates of those determinations with the assumption that past jobs data would be an accurate predictor of jobs through the Sixth RHNA Cycle.

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency to exist in California as a result of the threat of the COVID-19 pandemic.

WHEREAS, on March 19, 2020, the Governor issued Executive Order N-33-20 requiring everyone state-wide to stay at home and closing all but essential businesses and eliminating job centers.

WHEREAS, the COVID-19 pandemic and its impacts have dramatically impacted the local economy and jobs. Before COVID-19, the City of Coronado's unemployment rate was 2.71%. The City of Coronado is now experiencing unemployment of approximately 24.4%.

WHEREAS, the draft allocation to the City of Coronado included jobs that no longer exist and it is unclear whether or when those jobs will come back.

WHEREAS, the draft allocation to the City of Coronado included active-duty military jobs.

WHEREAS, the federal government provides low and no cost housing to active-duty military in the City of Coronado.

WHEREAS, approximately 71% of the City of Coronado total land area (~7.7 square miles) falls under the jurisdiction of the U.S. Navy, the Unified Port District of San Diego, and the California Department of Parks and Recreation and the City has no land use authority over those areas.

WHEREAS, the remaining 2.2 square miles that fall under the City of Coronado's direct land use authority is densely developed with a high concentration of multi-family housing. Of

the 2.2 square miles within the City of Coronado’s land use jurisdiction, approximately 465 acres, or .73 square miles are unavailable for higher density residential development as outlined in the table below

Land Use Constraint	Acreage
APZ I (Accident Potential Zone)	174
APZ II	22
Airport Clear Zone	78
Historic Designation	86
Commercial Recreation Zone (Coronado Shores, Coronado Yacht Club, Recreation areas)	16
Civic Uses	42
Visitor Serving Hotel/Motel Zone	49
TOTAL	467 Acres (.73 square-miles)

WHEREAS, in addition to the extremely small developable area, approximately 95% of the City of Coronado is zoned for residential use and there are very few vacant properties available to accommodate new housing.

WHEREAS, the City of Coronado is also constrained by the Airport Influence Area and Accident Potential Zones of North Island Naval Air Station, which prevent any redevelopment with increased density and intensity or height.

WHEREAS, the entire City of Coronado is within the Coastal Zone, residential uses are not coastal dependent uses, and the priorities under the Coastal Act are different from, and at times conflicting with, the state law governing RHNA.

WHEREAS, the City of Coronado has the unique constraints on development, which are required to be taken into account under Government Code Section 65584.04(e)(2).

WHEREAS, on June 19, 2020, SANDAG received supplemental information supporting the RHNA allocation appeals, including from the City of Coronado.

WHEREAS, on June 26, 2020, the SANDAG Board of Directors remotely conducted a public hearing at which time it received oral and written communications on the appeals and heard presentations from the appealing jurisdictions, including from the City of Coronado.

WHEREAS, appeals can be based on any of the circumstances under Government Code Section 65584.05(b).

WHEREAS, pursuant to Government Code section 65584.05(e)(1), the final determination of an appeal for revisions to a draft RHNA allocation may require SANDAG to

adjust the share of the regional housing need allocated to one or more governments that are not the subject of an appeal.

WHEREAS, Government Code section 65583.2 differentiates cities with populations of 25,000 or less when stating appropriate densities for low income housing, which includes the City of Coronado and which is a factor that was not considered in the draft allocation.

WHEREAS, the impacts of the COVID-19 pandemic and the accurate DOF population projections constitute significant and unforeseen changes in circumstances that has occurred in each of the appealing jurisdictions, including the City of Coronado, that merits a revision of the information submitted pursuant to Government Code Section 65584.04(b) in accordance with Government Code Section 65584.05(b)(3).

WHEREAS, including active-duty military jobs while excluding military housing from the draft allocation to the City of Coronado constitutes grounds for an adjustment pursuant to Government Code Section 65584.05(b)(1).

WHEREAS, including jobs located outside the City of Coronado and jobs that do not match the data submitted constitute grounds for an adjustment pursuant to Government Code Section 65584.05(b)(1) and (2).

NOW THEREFORE BE IT RESOLVED by the SANDAG Board of Directors that:

1. The foregoing recitals are true and correct and incorporated herein as findings.
2. The SANDAG Board of Directors accepts the appeal by the City of Coronado for a revision to its draft allocation for the sixth housing element cycle (2021 - 2029) region pursuant to state law.
3. The draft allocation shall be revised such that the allocation for the City of Coronado shall be 200 units. This reduction still increases the City of Coronado's allocation by 400% compared to the last cycle, when the regional population will only be increasing by 3% due to the updated and accurate DOF population projections.
4. Due to the impacts of COVID-19 on the City of Coronado, the unique constraints on development in that City, the fundamental difference of active-duty military jobs and housing, and the reasons stated in the City of Coronado's appeal, this revision is necessary to further the objectives listed in Government Code section 65584(d).

PASSED AND ADOPTED this 26th day of June 2020.

CHAIRPERSON

ATTEST: _____
SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Coronado, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North San Diego County Transit Development Board, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, and Baja California/Mexico.



CITY OF SOLANA BEACH
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June 19, 2020

San Diego Association of Governments (SANDAG)
 401 B Street, Suite 800
 San Diego, CA 92101

**RE: SUPPLEMENTAL CONSIDERATIONS SUPPORTING REGIONAL HOUSING
 NEEDS ASSESSMENT (RHNA) DRAFT ALLOCATION APPEAL**

Dear Chairperson and Members of the Board:

On January 3, 2020, the City of Solana Beach (City) submitted its appeal pursuant to Government Code Section 65584.05 for a revision of its share of the regional housing need proposed to be allocated to the City and other local governments under the Regional Housing Needs Assessment (RHNA) methodology adopted for the 6th cycle.

Since that time, there have been dramatic new developments. The Department of Finance (DOF) released new population projections showing a 6.6% decrease from the projections used to determine the region's RHNA allocation. Appeals hearing procedures have been adopted that are inconsistent with constitutional due process. SANDAG circulated draft determinations and other cities have commented on the appeals. After that, the COVID-19 pandemic struck, requiring the workforce to telecommute, altering transportation patterns, and eliminating job centers on which the allocation was based and leaving the region to face an unprecedented over thirty percent (30%) unemployment rate according to SANDAG's most recent employment report.¹ These constitute significant and unforeseen changes in circumstances that have occurred in the City, and the region, that merit revisions to the information submitted under Government Code Section 65584.04(b) and additional grounds to appeal under Section 65584.05(b)(2).

Accordingly, the City submits the following supplemental information for the Board's consideration in connection with the City's appeal.

¹ SANDAG May 21, 2020 Update: COVID-19 Impact on the San Diego Regional Economy, https://www.sandag.org/uploads/publicationid/publicationid_4675_27510.pdf.

I. ACCURATE POPULATION PROJECTIONS SHOULD BE CONSIDERED

A. Decreased Population Projections Justify RHNA Reductions

On February 6, 2020, SANDAG Chief Economist and Chief Analytics Officer, Ray Major, sent a letter to the Board regarding the California State Department of Finance's (DOF's) updated population projections for the county, which were released in January 2020. Mr. Major indicated that DOF's "new forecast indicates a 6.6% decrease in our total regional population when compared to the previous" forecasts.²

The RHNA statutes require what common sense tells us: all of our planning involving transportation, jobs and housing must be consistent. Government Code Section 65584.04(m)(1) declares that: "It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan *shall* allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy." (Emphasis added.)

Because the Regional Transportation Plan (RTP) update will rely on the current population projections from DOF reflecting a 6.6% decrease in population projections for the region, consistency requires that SANDAG rely on the same accurate population projections for the regional housing need. Because of the statutorily required consistency, the Department of Housing and Community Development (HCD) uses DOF population projections in determining the RHNA that SANDAG oversees. While ordinarily regions are bound by HCD's allocation of the regional housing need, that is not the case for SANDAG in this 6th cycle because: (1) the previous population projections for the region were inaccurate; (2) consistent planning is required; and (3) through AB1730, the state legislature granted SANDAG the discretion under Government Code Section 65584.05(j) to reduce the total number of housing units being allocated for the region so that our planning could be consistent.

The Board should consider the appeals in light of the 6.6% projected population decrease from previous forecasts. The same and best available data can and should be used when deciding any population- or transportation-based decision. Based on the accurate DOF population growth projection, the regional housing need should have increased by only 3% rather than being increased by 6%.

Granting all the appeals and reducing the allocations for the four appealing cities by 55%, part of a proposal previously supported by a simple majority of SANDAG Board members prior to its rejection under a weighted vote, will result in a net decrease of 2,536 units for

² See Attachment 1.

the region's housing units to 169,149 units, which is a 1.5% reduction from the current SANDAG allocation of 171,685. Additionally, had the methodology used the recent DOF population estimates, the increase from the 2010 allocation would have been 5,346 additional units for a total of 167,326 units for the region. Consequently, reducing the number of units allocated to the cities represented in the four appeals by 55% would actually result in a net increase of 1,823 more units (34% higher) than what should actually have been the region's housing allocation based on the DOF's current and more accurate population projections being used for the RTP. This proposal, which, it bears repeating, received majority support from the SANDAG Board when initially voted upon, provides a higher RHNA than that generated by DOF's most recent population forecast.

Therefore, granting all the appeals and adopting a proposed final allocation plan for the 6th cycle that is the same as the draft allocation plan with reductions of 55% to the appealing cities' allocations and a corresponding reduction in the total RHNA being allocated as shown on Attachment 2 is supported by law.

The draft allocations did not take into account current population estimates from DOF, which was information that was readily available and was required to be taken into consideration under Government Code Section 65584.04(b)(3). The proposed revision is necessary to meet the statutory objectives in Government Code Section 65584(d) as pointed out in the appeals.

B. SANDAG has the Authority to Allocate Less than the Total RHNA Because of Corrected Projections

For every regional body other than SANDAG, Government Code Section 65584.05(f) requires that, in deciding appeals to RHNA allocations, those bodies must distribute the entire regional housing need as determined by HCD. However, AB 1730 transformed that into a discretionary action for SANDAG's determination through Government Code Section 65584.05(j).

Therefore, it does not matter that HCD has not officially changed the regional allocation based on the accurate DOF numbers. The state legislature expressly exempted SANDAG from being bound by HCD's determination and took the regional allocation power out of HCD's hands and placed it firmly under SANDAG's authority.

Reducing the regional allocation by 1.5% is within SANDAG's discretion and is sufficient to reduce the allocations to the four appealing cities by 55%, which will result in a net decrease of 2,536 units for the region's housing units to 169,149 units. It also still results in the appealing cities' allocations being significantly increased in comparison to their allocations from the 5th cycle and meets the RHNA statutory objectives.

II. CIRCUMSTANCES HAVE CHANGED

A. A Transit Paradigm Shift Due to COVID-19 Should be Considered

Since the Stay at Home Order throughout California was first issued, employers have been ordered to make every effort to encourage telecommuting for essential workers. Non-essential businesses have only been able to operate through an exclusively remote workforce. Meetings and gatherings are being conducted electronically and/or virtually. More of the workforce than ever before is working from home. With workers no longer commuting, use of public transportation is also at an all-time low. According to NCTD's COVID-19 Financial Impact Report, NCTD is estimating a loss of fare revenues between 80% and 90% for the period March through June 2020 and optimistically gradually recovering 50% of its ridership in July 2020.³ The state's safe reopening plan envisions employers will continue to encourage telecommuting. Moreover, the result has been a paradigm shift regarding telecommuting and transit usage, both of which are not only necessary for the protection of public health, but are likely to persist to some degree for the foreseeable future.

To this point, some indications are that the shift away from utilizing transit could very well continue long after the immediate effects of COVID-19 have eventually subsided. NCTD reported: "There is a potential that the COVID-19 pandemic will impact consumer and employer behavior in a manner that is detrimental to transit ridership" including that "[e]mployers may hire fewer employees or increase telework."⁴ SANDAG itself has announced: "Longer-term, past COVID, SANDAG management intends to promote and support teleworking for agency employees. The agency is starting to contemplate policies and practices that will support this type of work arrangement for employees while ensuring all onsite business functions are achieved."⁵ Whether this movement away from transit ridership continues and to what degree is uncertain, however, this change in circumstance and the immediate impact it has had on transit is unquestioned.

The methodology for this cycle was based on two inputs: location of transit centers and jobs. Basing 65% of residential unit allocation on the transit factor resulted in a disproportionately high allocation to the City of Solana Beach due to the location of a regional transit center within the City's borders. Now that this transit center is not currently being used, a situation that could persist well into the next Housing Element cycle, the

³ NCTD April 16, 2020 Board Meeting, Agenda Item 20, COVID-19 Financial Impact Report, slides 13 & 16, <https://portal.nctd.org/WebLink/0/edoc/151007/Board%20Agenda%20Packet%2004162020%20-%20REVISED.pdf>

⁴ NCTD April 16, 2020 Board Meeting, Agenda Item 20, COVID-19 Financial Impact Report, slide 15, <https://portal.nctd.org/WebLink/0/edoc/151007/Board%20Agenda%20Packet%2004162020%20-%20REVISED.pdf>

⁵ June 4, 2020 email from SANDAG Clerk of the Board, Tessa Lero, Subject: "BOD inquiry response - Plans to Reopen the SANDAG Offices."

City would bear an even greater share of units than the facts support. Allocating units to the City for transit activity that is not currently occurring and will continue to lag is fundamentally flawed.

B. Loss of Jobs Due to COVID-19 Should be Considered

Since the filing of the appeals, the COVID-19 pandemic has dramatically changed the world in which we live and the manner in which we live our lives. The nation, state and local jurisdictions have declared states of emergency. Our member jurisdictions, and SANDAG itself, have suspended all but essential services. All levels of government have been extraordinarily occupied in dealing with this public health crisis and keeping our citizens safe. The RHNA appeals hearing was continued due to the public health emergency, and ultimately scheduled to go forward on June 26, 2020, employing remote conferencing technology.⁶

The impacts to the private sector have been just as dramatic. On March 19, 2020, the Governor issued Executive Order N-33-20 requiring everyone state-wide to stay at home. Businesses closed, with some closing permanently. Before COVID-19, the region's unemployment rate was 3.1%. Solana Beach is now experiencing unemployment of approximately 28%. According to SANDAG's most recent employment report: "Unemployment in the San Diego region continues at an all-time high. The region's unemployment rate is now 30.1%."⁷

The impacts of COVID-19 on the local economy are dramatic and far reaching. On April 22, 2020, SANDAG reported: "Every household, community, and sector in the San Diego Regional economy has been disrupted by the COVID-19 pandemic. Some areas of the region have been impacted by layoffs more than others, and some sectors of the economy have shouldered a disproportionate burden."⁸ "Many non-essential activities that cannot be performed remotely are seeing a high number of layoffs...."⁹ And many businesses that have remained opened have down-sized their workforces due to social distancing requirements.

Some sectors have been harder hit than others. According to SANDAG's report, of the top three sectors that drive the local economy, tourism is the largest sector in terms of employment.¹⁰ This sector includes hospitality, arts and entertainment and restaurant

⁶ The City objects to proceeding with the appeals until after the health crisis has past and the public can fully participate in the hearing.

⁷ SANDAG May 21, 2020 Update: COVID-19 Impact on the San Diego Regional Economy.

⁸ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 1, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

⁹ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 1, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

¹⁰ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 4, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

employment sectors. With travel to and from the San Diego International Airport down approximately 96%, this sector has been largely impacted.¹¹

It is unknown when or whether some sectors will recover. The hospitality industry is not expected to start recovering until 2025. Major employment centers are now gone. If the job market continues to remain poor, the region could see a population decrease if workers move to seek lower costs of living and greater opportunities for employment elsewhere. The effects of COVID-19 could easily be seen through this housing cycle.

The COVID-19 pandemic and its aftermath presents the biggest planning challenge that the region has ever faced. The methodology based on jobs, 30% of which are gone, has been overcome by events and no longer makes sense. At a minimum, it underscores the importance of relying on the most recent population data and taking that into account to reduce the region's total allocation as discussed above.

C. COVID-19 Constitutes a Significant and Unforeseen Change in Circumstances

As noted in SANDAG's draft findings on the City's appeal,¹² in accordance with Government Code Section 65584.05(b), appeals can be based on any of the following circumstances:

- (1) The council of governments...failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.
- (2) The council of governments...failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (3) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

The City's original appeal materials contain the arguments for why the appeal should be granted under Government Code Section 65584.05(b)(1) and (2). Since that time, and since the submission of information pursuant to Government Code section 65584.04(b), the COVID-19 pandemic emerged.

¹¹ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 4, https://www.sandag.org/uploads/publicationid/publicationid_4658_27389.pdf.

¹² https://www.sandag.org/uploads/projectid/projectid_189_27296.pdf, p.8.

The pandemic and its effects on Solana Beach and the region constitute significant and unforeseen changes in circumstances that merits a revision of the information previously submitted. COVID-19 has eliminated job centers and resulted in 28% unemployment in the City. It is unknown whether or even if those jobs will come back. The job totals on which the methodology was based no longer have any relation to the current jobs and community patterns in the City. Jobs that remain no longer require transportation as a large percentage of the work force is and will likely continue telecommuting.

Even absent these dramatic impacts created by the COVID-19 pandemic, the accurate DOF population projections already constituted a significant and unforeseen change in circumstances that merits a revision of the information previously submitted as discussed above. When the actual population growth is considered, combined with the largest loss of jobs in history, changes to Solana Beach and the region are so dramatic that Government Code Section 65584.05(b)(3) is additional grounds for a reduction of the City's draft allocation. The dramatic unforeseen changes in regional circumstances are also further support of a reduction in the region's total allocation.

III. THE CITY SHOULD BE AFFORDED DUE PROCESS

A. The Appeals Should Be Decided by Tally Vote

On February 14, 2020, the Executive Committee adopted policies and procedures related to hearing the RHNA appeals. Over the objections of two cities, the Executive Committee declined to apply the procedural safeguard of a straight majority vote (a tally vote only with no weighted option) in deciding the RHNA appeals. The Board was never presented with a copy of the objections (see Attachment 3). Instead, the RHNA hearing procedures were buried in the middle of consent items to "ratify the delegated actions" taken by the "policy advisory committees."¹³ The Board should take a more careful look at the voting procedures in light of the requirements for due process in deciding the appeals.

With respect to voting procedures, Article IV, Section 5(a) of SANDAG's Bylaws provides that: "After the tally vote of the Board Members is taken, a weighted vote *may* be called by the Board Members of any two Member Agencies *unless otherwise required by law*." (Emphasis added.) Accordingly, where the law requires otherwise, a tally vote only is to be taken.

In the context of deciding the RHNA appeals, which are quasi-judicial proceedings, due process requires that the weighted vote not be employed. All appellants are entitled to a fair hearing with voting procedures that do not create an unacceptable risk of bias nor disenfranchise any jurisdiction's citizens.

¹³ https://www.sandag.org/uploads/meetingid/meetingid_5398_27205.pdf

Under Government Code Section 120102.5(f) and its bylaws, policies and procedures governing different voting mechanisms for different contexts can be adopted. The RHNA appeals present a situation in which experience teaches that the probability of bias is too high to be constitutionally tolerable. Due process therefore requires a straight majority vote in deciding the RHNA appeals to minimize the risk of error in such an adjudicatory setting.

B. The Appeals Should Be Decided Together

Each of the appeals raises similar concerns and calls for an adjustment in the draft allocations. To a certain extent, parts of the appeals are inter-related and each member jurisdiction has an interest in the outcome. That is why the RHNA statutes require that all appeals be heard at the same time in one public hearing as provided under Government Code section 65584.05(d). Deciding the appeals alphabetically has the potential to produce inconsistent results. The Board should be consistent in its approach and consider the valid points raised in all the appeals to inform the overall decision. This can only be properly done by considering and deciding all the appeals at the same time.

IV. SANDAG SHOULD GRANT THE CITY'S APPEAL

A. COVID-19 and DOF Projections Constitute Significant and Unforeseen Change in Circumstances

As discussed above, even if SANDAG does not decide to reduce the total regional allocation based on COVID-19 and the new DOF population projections, those events constitute significant unforeseen changes in circumstances in Solana Beach that justify reducing the City's draft allocation pursuant to Government Code Section 65584.05(b)(3).

B. Adequate Consideration of the Information Solana Beach Submitted was not Given Because it was not Present in the Draft Allocation

The draft determinations state in a conclusory fashion, with no support or analysis, that the information the City submitted was adequately considered. That is simply untrue. Some passing references to some information in lower level committee discussions does not constitute adequate consideration. Rather, that is just an admission that the information was readily available and ignored. The adequate consideration that the RHNA statutes require is for the information to be incorporated into the methodology and the allocation and incorporated in an adequate rather than a minimal fashion. Failing to incorporate information relevant to statutory factors into the allocations does not constitute adequate consideration; it constitutes reversible error.

Government Code Section 65584.04 required all the statutory factors to be included in the methodology to allocate regional housing needs. Throughout the methodology

development process, factors were acknowledged together with an admission that there was a deliberate choice being made to ignore some of them because factors and adjustments for local government conditions “would have created a complicated formula” and having an oversimplified methodology that was “understandable” was chosen over state law mandatory factors.¹⁴

In that way, and contrary to the statutory mandate, the draft allocation to Solana Beach failed to adequately consider the information that the City submitted or that was readily available from other jurisdictions and sources related to many of the statutory factors that were deliberately excluded. We know the information was not adequately considered because it was not included in the formula or the draft allocation. More specifically:

1. Adequate consideration of information submitted related to Section 65584.04(e)(1) was not given because source data is unknown and unverified

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(1) is:

Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

The City of Solana Beach submitted information and repeatedly raised concerns regarding the data SANDAG used in the RHNA methodology. The employment data used is inconsistent with data available by and from other jurisdictions to verify its accuracy and is even inconsistent with numbers shared by SANDAG staff. The draft determination itself does not even provide citations to the data so that it could be determined and evaluated heading into the appeal hearing. Failure to use independently verifiable jobs data sources and failure to allow each jurisdiction to understand how these numbers were generated or selected was arbitrary and without adequate support in facts. Without the underlying sources, the City has been denied fundamental due process required for quasi-judicial proceedings: to know the basis for the decision and be afforded the opportunity to rebut it.

In addition, whatever employment data was used, it is now entirely different. Solana Beach is experiencing a 28% unemployment rate due to COVID-19. It is fundamentally unfair to allocate units based on jobs that do not exist.

¹⁴ See, e.g., SANDAG November 22, 2019 Final 6th Cycle Regional Housing Needs Assessment Methodology, p.8-9, https://www.sandag.org/uploads/projectid/projectid_189_26874.pdf

2. Adequate consideration of information submitted related to Government Code Section 65584.04(e)(2) was not given because it was not included in the draft allocation or the methodology

The statutory factor that SANDAG was required to include in the draft allocation and methodology under Government Code Section 65584.04(e)(2) is:

The opportunities and constraints to development of additional housing in each member jurisdiction....

The City of Solana Beach submitted information regarding this statutory factor that was not reflected in the draft allocation and therefore was inherently not adequately considered as one of the required statutory factors. As described in the City's letter dated August 9, 2019 (see Attachment 4), the City has only six (6) noncontiguous commercial or multi-family parcels in its jurisdictional limits and they total a mere 3.31 acres of vacant, undeveloped land available for development. The City contains an additional eight (8) noncontiguous vacant residential parcels that total 2.74 acres. Accordingly, the average lot size of these fourteen non-contiguous parcels averages 0.43 acres, which is much less than the HCD-preferred one- to ten-acre lot size for housing development. Any other parcels identified for future housing development would require that existing developed properties be demolished and many parcels assembled under one ownership to make way for housing development, which HCD and the Legislature has identified as a major constraint.

Furthermore, the City identified other geographic and regulatory constraints such as: 1) a very small jurisdictional size of only 3.4 square miles and being already among the most densely developed areas in San Diego County, 2) that the entirety of the City is located within the California Coastal Zone which creates additional restrictions and limitations on development, particularly residential development, 3) the RHNA allocation is inconsistent with the Coastal Act in that the demand for housing production (i.e., residential development) is the lowest priority land use within the Coastal Act, and 4) the Coastal Act and the California Coastal Commission oppose allowing cities to intensify or prioritize residential use over visitor-serving development and coastal-dependent uses which would otherwise create an adverse impact on coastal access to the general public.

The draft determination on the City's appeal sidesteps the failure to include an adjustment under Government Code Section 65584.04(e)(2) as a statutory factor by claiming that there is a requirement to consider the potential for increased residential development under alternative zoning ordinances, citing Government Code Section 65584.04(e)(2)(B). However, this assumption is in error. Public Resources Code Section 30500.1 states: "No local coastal program shall be required to include housing policies and programs." SANDAG is therefore prohibited from considering potential alternative zoning that would

be prohibited under the Coastal Act and was required to take the Coastal Act's limitations on cities into consideration by including it in the draft allocations and methodology. It did neither.

The citations in the draft determination to a few minor discussions about jurisdictional capacity do not constitute adequate consideration. To the contrary, they illustrate that readily available and submitted information was not considered. That this statutory factor was not included in any fashion in the methodology or the draft allocations shows it was in error. An adjustment for small local coastal cities' constraints to residential development must be included in making the final allocations in some appreciable way. The City of Solana Beach respectfully submits that a reduction of 55% is appropriate.

3. Adequate consideration of information submitted related to Government Code Section 65584.04(e)(3) was not given because multi-jurisdictional service was ignored

The statutory factor that SANDAG was required to include in the allocations under Government Code Section 65584.04(e)(3) is:

The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

The City of Solana Beach submitted information regarding this statutory factor that was ignored and therefore not adequately considered. The City identified that it is the smallest jurisdiction with a train station in San Diego County. While Solana Beach's train station provides Coaster and Amtrak service, the current RHNA methodology fails to recognize that, given Solana Beach's previously discussed small size, this train station serves a much wider geographic region and a greater commuter population than that of Solana Beach alone.

Without any underlying data or basis in fact, public comments regarding the need to consider the broader population and geographic area served by transit stations, including the Solana Beach station, were summarily dismissed by the conclusion: "SANDAG recognized that mobility hub areas include not just the transit station itself but all those services and destinations that are accessible within a 5-minute walk, bike or drive...."¹⁵ In truth, transit stations serve a much broader area than a 5-minute travel radius.¹⁶

¹⁵ SANDAG Regional Housing Needs Assessment: Response to Public Comments on Draft Methodology Last Updated 9/5/2019 4:46 p.m., p.4, https://www.sandag.org/uploads/projectid/projectid_189_26439.pdf.

¹⁶ As the County of San Diego pointed out during the discussion of Item 23 at the July 26, 2019 SANDAG Board of Directors Meeting, the County gets credit from the state for transit stations in the Cities of Vista and Escondido when looking at vehicle miles traveled and reducing GHG emissions.

According to a readily available study done by the University of Minnesota regarding accessibility of jobs and commute times in major metropolitan areas, in San Diego County, less than 1% of jobs are within a 30-minute commute using public transit and less than about 47% of jobs are within a 30-minute drive using a car.¹⁷

The City provided empirical data (2018 NCTD Coaster Survey Analysis and Attachment 4) showing that 40% of passengers travel 10 minutes or less and 42% of the passengers travel 10-20 minutes to Coaster Stations. As an extremely conservative estimate, if the passengers' average travel speed to the Coaster Station was 10 miles per hour (mph), 40% of them travel less than 1.7 miles, and 42% of the riders travel between 1.7 and 3.3 miles to the Coaster Station. Another 9% of passengers traveled up to 30 minutes meaning that 51% of the passengers travel between 1.7 to 5 miles to get to a Coaster station (also assuming an extremely conservative average speed of 10 mph). This is significant because the Solana Beach train station is within extremely close proximity to four other jurisdictions; the Cities of Del Mar and Encinitas are within 1 mile of the Solana Beach train station and the City and County of San Diego are within 2 miles.

Based on the Coaster Survey, more than 60% of the Coaster passengers that use the Station in Solana Beach are from jurisdictions outside Solana Beach city limits. This data supports the argument that the Solana Beach train station serves a much larger geographic area than just Solana Beach itself or within a 5-minute service area. The travel distance information collected demonstrates that between 48% and 74% of the passengers surveyed travel 2 miles or greater to get to their Coaster Station. For all Coaster Stations combined, the Survey determined that 63% of the passengers travel 2 miles or further to use the Coaster with between 16% and 35% traveling further than 5 miles to get to their Station. Two miles in any direction from the Solana Beach station is well beyond Solana Beach city limits. This was not considered and justifies a modification to the RHNA allocation for a small jurisdiction with a train station that services a much broader area.

Citations in the draft determination to these facts do not prove that the information was adequately considered. Instead, it shows that valid points were raised and ignored.

Notwithstanding the foregoing, and as previously noted, the COVID-19 pandemic has effectively stopped the use of the Solana Beach Train Station, the Coaster and Amtrak, and dramatically impacted travel altogether. Due to social/physical distancing and public health concerns resulting from COVID-19, this move away from transit usage and towards telecommuting is likely to become the “new normal” for the foreseeable future throughout the region. Accordingly, SANDAG reported that transportation occupations have been “especially affected” by the pandemic because they “require a high degree of face-to-face

<https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD072619&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/26/2019>

¹⁷ “Perspectives on Affluence & Poverty,” May 1, 2020 Online presentation to Liveable California, slide 17.

and close physical interaction....”¹⁸ With over 30% unemployment, ridership is down and will continue to be down as long as the population is no longer commuting. Assigning units to Solana Beach for people who are no longer using the Coaster does not make sense.

C. Unless Adjusted, the Draft Allocation Will Undermine the Statutory Objectives in Government Code Section 65584(d)

Not only was the determination of the City’s share of the regional housing need not in accordance with the information described in Government Code Section 65584.04, and the information submitted merits revisions based on COVID-19 job losses and updated DOF population projections, but, contrary to statutory requirements, the draft allocation undermines, rather than furthers, the intent of the objectives listed Government Code Section 65584(d). Statements to the contrary in the draft determination are conclusory. Pursuant to Government Code Section 65584(d), and as submitted pursuant to Section 65584.04(b), the regional housing needs allocation plan must further all of the statutory objectives, not just some. It does not because:

1. The Draft Allocation Undermines Section 65584(d)(1)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(1) is:

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.

Instead of furthering this statutory objective as required, the draft allocation further undermines it because the methodology does not include consideration of financial viability and availability of land within each jurisdiction. The multiplier used for the equity adjustment for low and very low-income households will not increase housing supply and mix of housing types, tenure, and affordability. This is also true because cities cannot require affordability mandates on private development beyond what is allowed under State density bonus law.

In addition, financial assistance is severely lacking to assist cities in offsetting development costs if a jurisdiction were to try to encourage increased affordable housing percentages. Cities such as Solana Beach in which the request for funding assistance is an outright prerequisite to developing affordable housing, have greater difficulty competing for funds due to excessive land costs in the Coastal zone making such projects

¹⁸ SANDAG April 22, 2020 COVID-19 Impact on the San Diego Regional Economy: Employment Analysis, p. 1.

less feasible and less competitive for available funding, further undermining our ability to increase affordable housing supply. In the wake of COVID-19, budget crises at all levels of government will make financial assistance even harder to find and private financial pressures are expected to be high for this next cycle while investors are likely to be more careful about project selection. As a result, the draft allocation will likely decrease the amount of housing development, further exacerbating the availability of housing supply.

2. The Draft Allocation Undermines Section 65584(d)(2)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(2) is:

Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

Instead of furthering this statutory objective as required, the draft allocation undermines it. First, the proposed RHNA allocation is inconsistent with the Coastal Act in that residential development is the lowest priority land use and would likely come at the expense of the protection of coastal resources and the general public's access to and use and enjoyment of the City's coastal beach, bluffs, and lagoons, as well as protections of environmentally sensitive habitat areas (ESHA) and sweeping public panoramic views of the ocean. While some have said that SANDAG considered potential zoning changes when making the draft allocation, considering changes that would require local jurisdictions to violate other state laws, including the Coastal Act, is not permitted. The allocation given to Solana Beach would require the City to do just that: violate the Coastal Act.

Second, the draft allocation does not promote infill development. Units should be allocated to jurisdictions that are not overly built out, where infill development is possible. By allocating disproportionately high numbers of residential units to cities with the greatest existing densities, like the City of Solana Beach, the proposed allocation will not result in infill development or efficient development patterns. As the City remarked at the SANDAG July 26, 2019 Board of Directors meeting, Solana Beach already has the highest population density of all the north county coastal cities in San Diego County. Solana Beach is built out, park space deficient, and is without any large tracts of freely developable land. By not accounting for the City's inability to absorb the units it was allocated, the allocation is flawed.

The response by some that prioritizing transit and jobs addresses protection of coastal environmental resources and the City's inability to infill due to density does not make

sense. And it makes even less sense after COVID-19 with jobs significantly reduced and the trend of less transit and more telecommuting being encouraged.

3. The Draft Allocation Undermines Section 65584(d)(3)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(3) is:

Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Instead of furthering this statutory objective as required, the draft allocation undermines it because the methodology fails to include the number of low-wage jobs in a jurisdiction and compare it to the ratio of low-wage housing.

In addition, while a cursory look was taken at the location of total jobs and total housing, the methodology is completely arbitrary. SANDAG's distribution of data regarding job losses by zip code due to COVID-19 shows that accurate and quick analysis is possible. Yet, there was no basis in fact, nor any supportable argument put forward as to why 35% of the units should be allocated based on the total number of jobs. The disconnect is underscored now that over 30% of those jobs no longer exist due to COVID-19. Similarly, there was no analysis, nor justification for why 65% of residential units are proposed to be allocated based on the transit factor. On September 14, 2018, the Board of Directors was advised: "Focusing housing near transit may not necessarily provide a better balance between housing and job centers."¹⁹ The percentages appear to have been taken out of thin air. There appears to have been no effort whatsoever to create regional balance.

Lack of regional balance is particularly striking when looking at the arbitrary percentages assigned to the transit component. Without any supporting data, 75% of the transit units were allocated to Rapid and Rail (R&R) Stations and only 25% to major transit stops. The City continues to advocate that rail stations be considered separately from rapid transit and major transit stops. This percentage split has no rational basis, is not the result of any study and appears to be completely without factual support. Furthermore, the decision to count only major transit stops with a 15-minute peak period frequency or greater and not to count any of the other bus stops throughout the region is both arbitrary and highlights the capriciousness in a 75% allocation to R&R Stations without regard to frequency.

While investments in rail transit may have been appropriate to consider in the past, they do not define the landscape for future planning. In particular, the need to protect and

¹⁹ Staff presentation on item 6, September 14, 2018 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD091418&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=9/14/2018>

stabilize the bluffs may result in relocating the train and rail line inland. COVID-19 is expected to continue to impact transit and commuting patterns that may change dramatically if the population decreases or the current workforce continues telecommuting. Current locations of any transit type cannot be considered permanent at this juncture. And while MTS locations have changed in recent times, all MTS locations should be encouraged to be substantially the same, otherwise it only further discourages consistent ridership.

Accordingly, a better regional balance could be achieved by allocating units in the transit component evenly, including all bus stops and not artificially splitting them based on transit type. Supporting and encouraging development around all the existing MTS locations and minimizing changes in MTS locations would also help the region achieve GHG emission reduction targets. Alternatively, a more even split could also result by 50% being allocated to R&R Stations and 50% being allocated to major transit stops.

Because the draft allocation undermines, rather than furthers the statutory objectives discussed above, a revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d).

D. Consistency with Solana Beach's Sustainable Communities Strategy

The development pattern in the current sustainable communities strategy (SCS) developed pursuant to Government Code Section 65080(b)(2) provides detailed numerical information about the 2050 Regional Growth Forecast, which shows the projected changes in population, housing, and employment, which we now know is too high. Based on the overly high projected growth, the SCS land use pattern, including that within the City of Solana Beach, accommodates the estimated number of new homes that will be needed region-wide over the next 40 years. Based on the accurate DOF population projections, the SCS will be decreasing by approximately 6.6%. Due to COVID-19, employment related figures and analysis in the SCS will also be changing. Reducing allocations to small coastal cities will more closely align with both the current SCS and the changes to be made to the SCS.

Therefore, this appeal is consistent with, and not to the detriment of, the development pattern in the City's SCS because the SCS land use pattern is consistent with the City's existing land use plan.

V. CONCLUSION

Based on the above, the City of Solana Beach respectfully requests that SANDAG:

1. Decide the appeals together employing a non-weighted, tally vote only so that consistent results and a fair hearing with constitutional safeguards can be assured;
2. Act consistently by applying the same and most accurate population projection data for all planning purposes;
3. Recognize that the dramatic and unprecedented impact that COVID-19 has had on both transit and jobs is significant and unforeseen;
4. Grant the appeals by reducing the allocations for the appealing jurisdictions by 55% (2,536 units total) in recognition of constraints on development in small, dense coastal cities, reduction in commuting and transit use, job losses and accurate population projections;
5. Exercise the discretion afforded to SANDAG in Government Code Section 65584.05(j) to reduce the total regional allocation by 1.5% down to 169,149 units (a net decrease of 2,536 units) in recognition of the new DOF population projections which reflect a decrease in the previously planned for projections of 6.6% and in light of COVID-19 as reflected in Attachment 2; and
6. Adopt the Resolution and Final Determination Accepting the Appeal of the City of Solana Beach for Revisions to the Draft Allocations of Regional Housing Needs Assessment for the 6th Housing Element Cycle (2021-2029) included as Attachment 5.

These revisions to the allocations adequately consider the information submitted pursuant to Government Code Section 65584.04(b) by actually including an adjustment, and determine the share of the regional housing need in a manner that furthers the intent of the objectives listed Government Code Section 65584(d). Additionally, these revisions reflect significant and unforeseen changes in circumstances that merit revision to the information previously submitted.

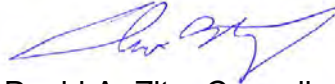
In contrast, the proposed allocations do not consider statutory factors, undermine RHNA objectives and are so flawed that they are doomed to failure, especially heading into what has been declared a recession by the National Bureau of Economic Research resulting from the COVID-19 pandemic. An adjustment to the proposed allocations is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d) and required by unprecedented job losses, a paradigm shift toward telecommuting and away from transit ridership and an updated population forecast. It is also necessary otherwise the region cannot reasonably be expected to achieve actual construction of its RHNA housing allocation and certification of housing elements for this cycle, especially for the appealing jurisdictions.

Should you have any questions, please feel free to contact the City's Community Development Director, Joseph Lim, at (858) 720-2434 or by e-mail at jlim@cosb.org.

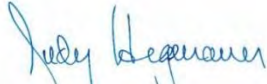
Respectfully Submitted,



Jewel Edson, Mayor
City of Solana Beach



David A. Zito, Councilmember
City of Solana Beach



Judy Hegenauer, Deputy Mayor
City of Solana Beach



Kristi Becker, Councilmember
City of Solana Beach



Kelly Harless, Councilmember
City of Solana Beach

Attachment 1 – Ray Major's February 6, 2020 letter to the Board

Attachment 2 – City of Solana Beach's proposed adjustments to allocations with a reduction in the total regional allocation

Attachment 3 – City of Solana Beach's letter dated February 13, 2020

Attachment 4 – City of Solana Beach's letter dated August 9, 2019

Attachment 5 – Resolution and Final Determination Accepting the Appeal of the City of Solana Beach for Revisions to the Draft Allocations of Regional Housing Needs Assessment for the 6th Housing Element Cycle (2021-2029)

cc: Hasan Ikharta, Executive Director, SANDAG
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February 6, 2020

File Number 2300400

Dear: SANDAG Board of Directors

Subject: California Department of Finance Population Projections

Approximately every three years the California Department of Finance releases updated population projections for each county in the state. The Department of Finance (DOF) released new population projections in January 2020 (v2019.01.10.2020). This new forecast indicates a 6.6 % decrease in our total regional population when compared to the previous DOF 2017 (v2017.02.02.2018) projected population forecast. In 2017, DOF estimated that the region's January 1, 2050 population would be 3,989,372. The new population projections for 2020 set the region's January 1, 2050 population at 3,728,056. This represents a decrease of 261,316 by 2050 as compared to the previous forecast.

As you know, the projections are used by SANDAG in the regional growth forecast, the activity-based transportation model, and the *TransNet* revenue forecast. Additionally, the state Department of Housing and Community Development uses DOF population projections, in part in determining the Regional Housing Needs Assessment (RHNA) that SANDAG oversees regionally for the state. Housing and Community Development Department used the 2017 (v2017.02.02.2018) projections for the current RHNA process.

SANDAG staff has reached out to the DOF to understand the technical assumptions and methodology used in the new 2020 projections. Staff is also seeking guidance from Housing and Community Development Department on how the new population projections may or may not affect the current RHNA process. Staff is currently working to determine the impact of the updated population projections on the forecasting and modeling products that we use in our work. We expect to have an update at the February 14, 2020 Board of Directors meeting.

Sincerely,



Ray Major
 Chief Economist and Chief Analytics Officer

RMA/pla/mpo

MEMBER AGENCIES

- Cities of
- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- and
- County of San Diego

ADVISORY MEMBERS

- Imperial County
- California Department of Transportation
- Metropolitan Transit System
- North County Transit District
- United States Department of Defense
- San Diego Unified Port District
- San Diego County Water Authority
- Southern California Tribal Chairmen's Association
- Mexico

Reduce Appeals by 55% and Reduce Total RHNA

<i>Jurisdiction</i>	<i>Population</i>	<i>2020 RHNA</i>	<i>55% Reduction</i>	<i>New 2020 Allocation</i>
Carlsbad	115622	3873	0	3873
Chula Vista	267503	11105	0	11105
Coronado	21683	1001	-551	450
Del Mar	4322	163	0	163
El Cajon	105557	3280	0	3280
Encinitas	63158	1554	0	1554
Escondido	151478	9607	0	9607
Imperial Beach	28163	1375	-756	619
La Mesa	61261	3797	0	3797
Lemon Grove	26834	1359	-747	612
National City	62257	5437	0	5437
Oceanside	177362	5443	0	5443
Poway	50207	1319	0	1319
San Diego	1419845	107901	0	107901
San Marcos	95768	3116	0	3116
Santee	56994	1219	0	1219
Solana Beach	13938	875	-481	394
Unincorporated	513123	6700	0	6700
Vista	103381	2561	0	2561
Totals	3338456	171685	-2536	169150



February 13, 2020

San Diego Association of Governments (SANDAG)
401 B Street, Suite 800
San Diego, CA 92101

SUBJECT: POLICIES FOR HEARING APPEALS FOR REVISIONS OF REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) ALLOCATIONS

Dear Members of the Executive Committee:

On February 14, 2020, the Executive Committee will be considering adopting policies and procedures related to hearing appeals filed by four cities under Government Code Section 65584.05 for a revision of the shares of the regional housing need proposed to be allocated under the Regional Housing Needs Assessment (RHNA) methodology adopted for the 6th cycle. The City of Solana Beach urges that the following changes be made to the draft RHNA Appeals Hearing Procedures:

1. Each cities' rebuttal time should be moved to occur after public comment;
2. The date of the appeals hearing should be moved to a date at least twenty-one (21) days after notice of the hearing is provided to all local governments consistent with state law;
3. The appeals hearing should be moved to a future date that allows analysis of the newly released Department of Finance projections that show a decrease in population for the region of 6.6%; and
4. The procedural safeguard of a straight majority vote (a tally vote only with no weighted option) should be adopted in deciding the RHNA appeals.

With respect to voting procedures, Article IV, Section 5(a) of SANDAG's Bylaws provides that: "After the tally vote of the Board Members is taken, a weighted vote **may** be called by the Board Members of any two Member Agencies **unless otherwise required by law.**" (Emphasis added.) Accordingly, where the law requires otherwise, a tally vote only is to be taken.

In the context of deciding the RHNA appeals, which are quasi-judicial proceedings, due process requires that the weighted vote not be employed. All appellants are entitled to a fair hearing with voting procedures that do not create an unacceptable risk of bias nor disenfranchise any jurisdiction's citizens.

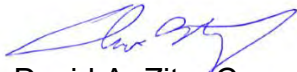
Under Government Code Section 120102.5(f) and its bylaws, policies and procedures governing different voting mechanisms for different contexts can be adopted. The RHNA appeals present a situation in which experience teaches that the probability of bias is too high to be constitutionally tolerable. Due process therefore requires a straight majority vote in deciding the RHNA appeals to minimize the risk of error in such an adjudicatory setting.

Should you have any questions, please feel free to contact the City's Community Development Director, Joseph Lim, at (858) 720-2434 or by e-mail at jlim@cosb.org.

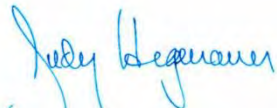
Respectfully Submitted,



Jewel Edson, Mayor
City of Solana Beach



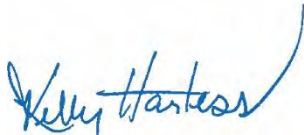
David A. Zito, Councilmember
City of Solana Beach



Judy Hegenauer, Deputy Mayor
City of Solana Beach



Kristi Becker, Councilmember
City of Solana Beach



Kelly Harless, Councilmember
City of Solana Beach

cc: Hasan Ikharta, Executive Director, SANDAG
Coleen Clementson, Director of Regional Planning, SANDAG
Seth Litchney, Senior Regional Planner, SANDAG
Gregory Wade, City Manager, City of Solana Beach



August 8, 2019

SANDAG Board of Directors
Attn.: Seth Litchney, Regional Planner
401 B Street, Suite 800
San Diego, CA 92101

RE: SANDAG RHNA Methodology – City of Solana Beach Comments

Dear SANDAG Board of Directors and Staff,

The City of Solana Beach (Solana Beach) appreciates the difficult task that SANDAG must complete as part of the Regional Housing Needs Assessment (RHNA) process. While the proposed RHNA allocation methodology attempts to use good planning principles to identify where housing should be planned for in the future, it fails to consider geographic boundaries, service area of train stations, and jurisdictional size. The City of Solana Beach had previously raised some of these concerns in a letter dated May 16, 2019, however, the methodology remains unchanged.

As you are aware, at approximately 3.4 square miles, Solana Beach is a small jurisdiction. Of the 19 jurisdictions in San Diego County, we are the 2nd smallest jurisdiction in both size and population and the smallest jurisdiction with a train station. While Solana Beach's train station serves the Coaster and Amtrak, the current RHNA methodology fails to recognize that this train station serves a much wider geographic region and a greater commuter population than Solana Beach alone.

In May 2018, a Coaster Survey Analysis (Survey) was conducted for the North County Transit District (NCTD), which included an onboard survey of Coaster passengers. The Survey collected various data, including time traveled to each Coaster Station by passengers and distances traveled by passengers from their respective starting points to the Coaster Station. The Survey found that 62% of Coaster passengers commute via vehicle (42% car, 13% Uber/Lyft/taxi, & 7% carpool/vanpool) to their respective Coaster Station destination.

The Survey also showed that 40% of passengers travel 10 minutes or less and 42% of the passengers travel 10-20 minutes to Coaster Stations. As an extremely conservative estimate, if the passengers' average travel speed to the Coaster Station was 10 miles per hour (mph), 40% of them travel less than 1.7 miles, and 42% of the riders travel between 1.7 and 3.3 miles to the Coaster Station. Another 9% of passengers traveled up to 30 minutes meaning that 51% of the passengers travel between 1.7 to 5 miles to get to a Coaster station (also assuming an average speed of 10 mph). This is significant because the Solana Beach train station is in close proximity to four other jurisdictions; the Cities of

Del Mar and Encinitas are within 1 mile of the train station and the City and County of San Diego are within 2 miles. Based on this Survey, more than 60% of the Coaster passengers that use the Station in Solana Beach are from jurisdictions outside Solana Beach city limits.

This data supports the argument that the Solana Beach train station serves a much larger geographic area than just Solana Beach itself. The travel distance information collected demonstrates that between 48% and 74% of the passengers surveyed travel 2 miles or greater to get to their Coaster Station. For all Coaster Stations combined, the Survey determined that 63% of the passengers travel 2 miles or further to use the Coaster with between 16% and 35% traveling further than 5 miles to get to their Station. Two miles in any direction from the Solana Beach station is well beyond Solana Beach city limits. The regional nature of our train station is further proven by the requirement placed on the One Paseo project in the City of San Diego to provide for shuttle service to the Solana Beach train station which is just under 5 miles from the station.

The current RHNA methodology allocates all of the units for a train station to the jurisdiction in which the station resides. While this is likely a reasonable approach for larger jurisdictions, the data above demonstrates that for Cities as small as Solana Beach, this creates a significant outsized impact which is further exacerbated due to the large number of units assigned to a train station. The formula should clearly be adjusted to accommodate the impacts imposed on small jurisdictions and the above data would indicate that for a city the size of Solana Beach 48%-74% of the units assigned for transit should be placed in surrounding jurisdictions.

The City also still has concerns with the employment numbers that are within the proposed RHNA methodology. The proposed methodology is using 9,151 jobs as the factor for Solana Beach. This is significantly higher than any other SANDAG growth forecasts or employment numbers that the City has been able to verify. According to SANDAG's 2050 Regional Growth Forecast for 2020, Solana Beach is estimated to have 7,823 jobs. According to the California Employment Development Department (EDD), Solana Beach has an annual employment of 8,285. Additionally, the City is further confused by a recent email from SANDAG staff that stated that, although the EDD data that SANDAG is using is "restricted," there are 7,912 civilian wage and salary jobs, 692 self-employed jobs and 517 government jobs for a total of 9,121 jobs in Solana Beach. This number is different than the 9,151 jobs that are contained within the proposed RHNA Toolkit and is approximately 10% (using 8,285 jobs from EDD) to 17% higher (using 7,823 jobs from SANDAG's 2020 Regional Growth Forecast) than any information that our staff has been able to confirm. Using 9,151 jobs for Solana Beach results in 34 to 58 more units than otherwise would be using the range of jobs numbers noted above. It's important to have an independently verifiable jobs data source so that each jurisdiction understand how this number is generated which would likely result in a 10% to 17% reduction in Solana Beach's units based on the jobs factor in the RHNA Toolkit.

The outsized impact of the current RHNA formula on our small City is further evident by comparing the unit allocations for Solana Beach to the other Cities in our sub-region. Given Solana Beach's geographic size (3.4 square miles) in relation to our current proposed RHNA allocation of 876 units, Solana Beach would need to accommodate 260

housing units per square mile. Compared to our North County coastal neighbors, the next closest to this average is Oceanside at 130 units per square mile followed by Carlsbad (100 units per sq./mi.), Del Mar (93 units per sq./mi.) and Encinitas (81 units per sq./mi.). This clearly points to an inequitable distribution of units particularly considering that Solana Beach is largely built out and has very little vacant land on which to build. The State Department of Housing and Community Development (HCD) has recently expressed a preference (if not an outright requirement) to identify vacant parcels on which to allocate future housing unit development within a given jurisdiction. Within Solana Beach's multifamily residential and commercial land use areas, there are six noncontiguous parcels with a total of only 3.31 acres of vacant, undeveloped land. Should HCD require Solana Beach to identify only vacant parcels on which to accommodate our RHNA allocation, we would be looking at developing 140 units per acre. This is simply not possible.

While Solana Beach has specifically requested other adjustments related to the Jobs-to-Housing ratio in the proposed RHNA Methodology, the Rail & Rapid Transit vs. High Frequency Transit ratio, the Transit/Jobs ratio, and Equity Adjustment, we believe that as a small jurisdiction, the housing units being allocated to Solana Beach despite the regional nature of the train station and the extraordinarily high jobs numbers is both unfair and inequitable. Further consideration and revision to the proposed RHNA Methodology must be made to adjust for these factors that are giving our jurisdiction an exorbitantly high number of housing units that will prove impractical if not impossible to accommodate.

One promising approach was discussed during the last SANDAG Board Meeting where it appeared that there may be some support for possible consideration of a "small city" RHNA adjustment. Looking at city populations for San Diego County, there is a fairly significant gap in population size between the City of Imperial Beach and the next largest city. Solana Beach would support using the population of Imperial Beach as a maximum threshold for the definition of a "small city" (consisting of a population of up to approximately 28,000 (consideration could also be given to cities of no more than 5 square miles). If a jurisdiction met this criteria, consideration of a 50% reduction of the number of units that are allocated to small cities based on the SANDAG RHNA Toolkit could also be considered for reallocation to certain larger jurisdictions. Based on our estimation, there are five (5) jurisdictions that meet this criteria within the San Diego County region which would result in a reallocation of approximately 2,300 units. The reallocation could then go to those jurisdictions whose newly proposed RHNA allocations were reduced from the prior RHNA housing cycle. This would provide some linkage to jurisdictional housing capacity since those jurisdictions' last Housing Elements would have been certified based on a higher number of units which would then avoid significantly impacting any jurisdiction in this RHNA cycle.

The City of Solana Beach recognizes that there is a need for housing in our region and we are willing to accommodate for our fair share of housing, however, the current methodology is far from fair when considering the additional statistical and empirical information outlined in this and our prior letter and our testimony before the SANDAG Board.

We respectfully request that SANDAG staff and the Board of Directors make further adjustments to the proposed RHNA allocations to account for a small jurisdiction such as Solana Beach. Thank you for your time and consideration.

Sincerely,



Joseph Lim, AICP
Community Development Director

Cc: Greg Wade, City Manager
Coleen Clementson, SANDAG Acting Department Director of Land Use and
Transportation Planning

A Resolution and Final Determination Accepting the Appeal of the City of Solana Beach for Revisions to the Draft Allocations of Regional Housing Needs Assessment for the 6th Housing Element Cycle (2021-2029)

WHEREAS, the California Department of Housing and Community Development (HCD) provided SANDAG with a regional housing needs number of 171,685 units distributed to four income categories: very low (24.7%); low (15.5%); moderate (17.3%); and above-moderate (42.5%) for the Sixth Cycle based on old and erroneous California Department of Finance (DOF) population projections and before the novel coronavirus (COVID-19) pandemic emerged.

WHEREAS, SANDAG staff developed a draft methodology to distribute HCD's housing allocation throughout the region for all affected jurisdictions and the SANDAG Board of Directors released the Draft Sixth Cycle RHNA Methodology for public comment on July 26, 2019.

WHEREAS, on September 6, 2019, the SANDAG Board of Directors conducted a public hearing at which time it received oral and written communications on the Draft Methodology and closed the public comment period. At this hearing, the City of Solana Beach presented the City's objections to the draft methodology. On the same day, the SANDAG Board of Directors authorized the transmittal of the RHNA draft methodology to HCD for its 60-day review period.

WHEREAS, on November 1, 2019, HCD determined that the RHNA draft methodology meets state standards.

WHEREAS, SANDAG is the ultimate arbiter regarding whether the RHNA methodology and allocation plan meet state standards.

WHEREAS, on November 22, 2019, the SANDAG Board of Directors, through a weighted vote, adopted the RHNA draft methodology without any changes, over the objections of the region's smaller communities, including the City of Solana Beach. On November 22, 2019, the SANDAG Board of Directors also released the draft allocation, which was calculated based on the RHNA methodology.

WHEREAS, on January 3, 2020, the City of Solana Beach timely submitted its appeal for revisions to the Draft Allocation pursuant to Government Code Section 65584.05. Three other cities also filed timely appeals.

WHEREAS, SANDAG received comments on the appeals.

WHEREAS, in January 2020, DOF released updated and accurate population projections for the region showing a 6.6% decrease in the population projections from

the previous estimate on which SANDAG and HCD had previously relied; showing that the region's population for the Sixth RHNA Cycle will only increase by 3%, instead of 6%; and making the regional housing need less than previously estimated.

WHEREAS, SANDAG desires consistency in planning involving transportation, jobs and housing and Government Code Section 65584.04(m)(1) declares that: "It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan *shall* allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy."

WHEREAS, effective January 31, 2020, through AB1730, the state legislature granted SANDAG the discretion under Government Code Section 65584.05(j) to vary the RHNA process, including to reduce the total number of housing units being allocated for the region so that planning could be consistent.

WHEREAS, the RHNA methodology and the draft allocation plan was based population projections, jobs and transportation data as of the dates of those determinations with the assumption that past jobs and transportation data would be an accurate predictor of jobs and transit usage through the Sixth RHNA Cycle.

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency to exist in California as a result of the threat of the COVID-19 pandemic.

WHEREAS, on March 19, 2020, the Governor issued Executive Order N-33-20 requiring everyone state-wide to stay at home and closing all but essential businesses and eliminating job centers.

WHEREAS, in response to COVID-19, SANDAG suspended all but essential services, requiring as much of its workforce as possible to telecommute. SANDAG also continued the RHNA appeal hearing to June 26, 2020 to occur via remote conferencing technology.

WHEREAS, the COVID-19 pandemic and its impacts have dramatically impacted the local economy and jobs. Before COVID-19, the region's unemployment rate was 3.1%. The City of Solana Beach is now experiencing unemployment of approximately 28%, with the region's unemployment rate at an all-time high of 30.1% as of May 21, 2020.

WHEREAS, the COVID-19 pandemic has resulted in a paradigm shift in commuting patterns with drastically fewer persons utilizing both public transit and cars as they work from home and attend meeting and gatherings remotely. The state's safe reopening plan envisions employers will continue to encourage telecommuting as a public health and safety measure.

WHEREAS, longer-term, past COVID-19, SANDAG management intends to promote and support teleworking for agency employees. The agency is starting to contemplate policies and practices that will support this type of work arrangement for employees while ensuring all onsite business functions are achieved.

WHEREAS, the complete paradigm shift regarding telecommuting and transit usage is likely to persist for the foreseeable future, is necessary for the protection of public health, and will help the region achieve its greenhouse gas emissions targets by reducing the number of cars being used for commuting.

WHEREAS, on June 19, 2020, SANDAG received supplemental information supporting the RHNA allocation appeals, including from the City of Solana Beach.

WHEREAS, on June 26, 2020, the SANDAG Board of Directors remotely conducted a public hearing at which time it received oral and written communications on the appeals and heard presentations from the appealing jurisdictions, including from the City of Solana Beach.

WHEREAS, in accordance with Government Code Section 65584.05(b)(3), appeals can be based on a significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04.

WHEREAS, pursuant to Government Code section 65584.05(e)(1), the final determination of an appeal for revisions to a draft RHNA allocation may require SANDAG to adjust the share of the regional housing need allocated to one or more governments that are not the subject of an appeal.

WHEREAS, Government Code section 65583.2 differentiates cities with populations of 25,000 or less when stating appropriate densities for low income housing, which includes the four appealing cities and which is a factor that was not considered in the draft allocation.

WHEREAS, the impacts of the COVID-19 pandemic and the accurate DOF population projections constitute significant and unforeseen changes in circumstances that has occurred in each of the appealing jurisdictions, including the City of Solana Beach, that merits a revision of the information submitted pursuant to Government Code Section 65584.04(b) in accordance with Government Code Section 65584.05(b)(3).

NOW THEREFORE BE IT RESOLVED by the SANDAG Board of Directors that:

1. The foregoing recitals are true and correct and incorporated herein as findings.
2. The SANDAG Board of Directors accepts the appeal by the City of Solana Beach for revisions to the draft allocation and issues a proposed final allocation plan for the sixth housing element cycle (2021 - 2029) for the San Diego region pursuant to state law.

Jurisdiction	Total Jobs	Revised Jobs	Difference
Carlsbad	76,779	76,779	-
Chula Vista	72,403	72,403	-
Coronado	27,594	25,149	(2,445)
Del Mar	4,484	4,484	-
El Cajon	45,468	45,468	-
Encinitas	27,871	27,871	-
Escondido	55,059	55,059	-
Imperial Beach	4,936	3,666	(1,270)
La Mesa	29,773	29,773	-
Lemon Grove	7,492	7,492	-
National City	37,497	37,497	-
Oceanside	45,178	45,178	-
Poway	36,349	36,349	-
San Diego	921,054	924,967	3,913
San Marcos	40,964	40,964	-
Santee	18,634	18,634	-
Solana Beach	9,151	9,151	-
Unincorporated	154,686	154,686	-
Vista	40,629	40,629	-
Region	1,656,001	1,656,199	198

Final 6th Cycle RHNA Methodology and Revised Draft Allocation

The RHNA Determination, provided by the Department of Housing and Community Development (HCD) in July 2018, requires the San Diego region to plan for 171,685 housing units in the 6th Housing Element Cycle (2021-2029). The final methodology, adopted by the Board of Directors on November 22, 2019, allocates the housing units to each jurisdiction in the region based on the priorities discussed by the SANDAG Board of Directors and its RHNA Subcommittee.

	Transit	Jobs
Weighting	65%	35%
Units	111,595	60,090

Transit	
Rail & Rapid	Major Transit Stops
Weighting	75%
Units	83,696

100%
171,685

Definitions:

- Rail & Rapid** Stations served by rail (NCTD COASTER & SPRINTER; and MTS Trolley, including planned MidCoast Trolley stations) and *Rapid* bus routes (NCTD BREEZE Route 350; MTS *Rapid* Routes 215, 225, & 235 and *Rapid Express* Routes 280 & 290).
- Major Transit Stops** A stop served by two or more major bus routes with 15 minute frequencies in the peak period (Public Resource Code 21064.3)
- Jobs** Jobs, including military jobs; SANDAG Population and Housing Estimates and/or SANDAG 2019 Regional Growth Forecast
- Equity Adjustment** To avoid an overconcentration of low income households and comply with Government Code 65584 (d), the draft methodology assigns more housing units of an income category to jurisdictions with a percentage of households in that category that is lower than the regional percentage.

Allocation				Difference from Draft Allocation ¹
Jurisdiction	Transit	Jobs	Allocation	
Carlsbad	1,087	2,786	3,873	-
Chula Vista	8,478	2,627	11,105	-
Coronado	-	912	912	(89)
Del Mar	-	163	163	-
El Cajon	1,630	1,650	3,280	-
Encinitas	543	1,011	1,554	-
Escondido	7,609	1,998	9,607	-
Imperial Beach	1,196	133	1,329	(46)
La Mesa	2,717	1,080	3,797	-
Lemon Grove	1,087	272	1,359	-
National City	4,076	1,361	5,437	-
Oceanside	3,804	1,639	5,443	-
Poway	-	1,319	1,319	-
San Diego	74,478	33,558	108,036	135
San Marcos	1,630	1,486	3,116	-
Santee	543	676	1,219	-
Solana Beach	543	332	875	-
Unincorporated	1,087	5,613	6,700	-
Vista	1,087	1,474	2,561	-
Region	111,595	60,090	171,685	-

Allocation by Income Category					
Jurisdiction	Very Low	Low	Moderate	Above Mod.	Allocation
Carlsbad	1,311	784	749	1,029	3,873
Chula Vista	2,750	1,777	1,911	4,667	11,105
Coronado	312	169	159	272	912
Del Mar	37	64	31	31	163
El Cajon	481	414	518	1,867	3,280
Encinitas	469	369	308	408	1,554
Escondido	1,864	1,249	1,527	4,967	9,607
Imperial Beach	225	123	183	798	1,329
La Mesa	859	487	577	1,874	3,797
Lemon Grove	295	166	193	705	1,359
National City	645	506	711	3,575	5,437
Oceanside	1,268	718	883	2,574	5,443
Poway	468	268	241	342	1,319
San Diego	27,549	17,331	19,319	43,837	108,036
San Marcos	728	530	542	1,316	3,116
Santee	406	200	188	425	1,219
Solana Beach	316	159	160	240	875
Unincorporated	1,834	992	1,165	2,709	6,700
Vista	515	321	369	1,356	2,561
Region	42,332	26,627	29,734	72,992	171,685

¹ Draft Allocation released on November 22, 2019, and available at www.sandag.org/rhna



PROPOSED FINAL

6th Cycle Regional Housing Needs Assessment Plan

SANDAG

June 26, 2020

Acknowledgments

Many individuals aided in the preparation of materials contained in the Regional Housing Needs Assessment (RHNA) Plan. In particular, the cooperation and involvement of the following San Diego Association of Governments (SANDAG) committees and working groups are acknowledged:

Regional Planning Technical Working Group and Housing Stakeholders

Community-Based Organizations Working Group

Regional Planning Committee

Regional Housing Needs Assessment Subcommittee

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Coleen Clementson, Director of Regional Planning

Ray Major, Chief Data Analytics Officer/Chief Economist

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1

Executive Summary

The San Diego region is in the midst of a housing crisis. Housing prices and rents have steadily increased during the last decade, outpacing inflation¹; putting home ownership out of reach for many residents and affecting the quality of life in the region. High housing costs cause significant challenges for low-income residents, retired residents on a fixed income, and young San Diegans who wish to stay in the region. More and more residents are unable to afford housing, leading to residents paying a greater share of their income on housing or leaving the region. Additionally, the crisis has affected local businesses and the regional economy; attracting new businesses and employees has become more challenging and costly due to unaffordable housing in the region.



The San Diego Association of Governments (SANDAG) Board of Directors took action to address the housing crisis. Recognizing the need for more housing for people of all income levels, SANDAG accepted the California Department of Housing and Community Development’s (HCD) determination of 171,685 housing units needed in the region between 2021 and 2029. SANDAG is addressing the housing crisis by planning for more housing and making more housing available throughout the region.

The location of housing has played an important role in the development of the San Diego region. From post-war sprawl to smart growth, housing location shapes the way residents travel, conduct business, and participate in daily activities. For decades, housing growth in San Diego was characterized by low-density units located farther away from business centers and existing development, reducing the amount of open space and natural habitat and increasing traffic on roads and highways.

Recently, the region’s priorities for growth have changed. [San Diego Forward: The 2015 Regional Plan](#) (2015 Regional Plan)² sets a strategy for sustainability that focuses housing and job growth in urban areas where there is existing and planned transportation infrastructure, protects the environment and helps ensure the success of smart growth land use policies by preserving sensitive habitat and open space, and addresses the housing needs of all economic segments of the population.

State law requires SANDAG’s housing unit allocation further multiple objectives. In addition to the existing requirements to promote infill development and improve the regional jobs/housing relationship, new legislation requires the allocation to reduce greenhouse gases (GHGs) and provide a more equitable distribution of housing units that furthers fair housing and overcomes patterns of discrimination.

¹ [SANDAG Info Bits – Housing in the San Diego Region: Building Permits, Costs, and Vacancies](#)

² [Government Code 65584.045](#) – The resolution approving the RHNA Plan for SANDAG’s sixth revision shall use the Sustainable Communities Strategy in the regional transportation plan adopted by SANDAG on October 9, 2015, to demonstrate the consistency determinations.

The RHNA Plan meets the sustainability strategies of the 2015 Regional Plan and state housing objectives by allocating housing to jurisdictions based on the availability of transit and jobs. In the long term, housing located near transit and jobs should provide opportunities for residents to take more trips by bus or train and live closer to where they work, reducing vehicle miles traveled (VMT) and GHG emissions. The methodology to distribute the regional housing need seeks to allocate more housing units for low- and very-low-income residents in places that have not historically had housing units available for these residents. It also prioritizes low-income housing in high opportunity areas with better schools, more economic opportunity, and fewer environmental hazards.

The RHNA Plan was crafted to address these important topics while remaining understandable to engage the public in this critical regional issue. The methodology and allocation were developed through an extensive outreach process to ensure local jurisdictions, housing organizations, and the public were able to weigh in on the priorities in the methodology.

Upon the adoption of the RHNA Plan, cities and the County of San Diego are required to update their general plans, housing elements, and zoning codes to accommodate the housing unit allocation as shown in Table 1.1. While the RHNA process will conclude once the local plans are updated, the challenge of providing more housing will continue. Encouraging and constructing more infill housing development will require the efforts of multiple government and non-government agencies. SANDAG will continue to work with the State of California, housing organizations, and local governments to find ways to increase housing production throughout the region.

Table 1.1: 6th Cycle RHNA Allocation

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total Allocation
Carlsbad	1,311	784	749	1,029	3,873
Chula Vista	2,750	1,777	1,911	4,667	11,105
Coronado	312	169	159	272	912
Del Mar	37	64	31	31	163
El Cajon	481	414	518	1,867	3,280
Encinitas	469	369	308	408	1,554
Escondido	1,864	1,249	1,527	4,967	9,607
Imperial Beach	225	123	183	798	1,329
La Mesa	859	487	577	1,874	3,797
Lemon Grove	295	166	193	705	1,359
National City	645	506	711	3,575	5,437
Oceanside	1,268	718	883	2,574	5,443
Poway	468	268	241	342	1,319
San Diego	27,549	17,331	19,319	43,837	108,036
San Marcos	728	530	542	1,316	3,116
Santee	406	200	188	425	1,219
Solana Beach	316	159	160	240	875
Unincorporated County	1,834	992	1,165	2,709	6,700
Vista	515	321	369	1,356	2,561
Region (Totals)	42,332	26,627	29,734	72,992	171,685

2 Introduction

The preparation of the RHNA Plan for the San Diego region is a responsibility assigned to SANDAG and other California councils of governments by state housing element law.³ The RHNA process is undertaken prior to each housing element cycle. This RHNA Plan is for the sixth housing element cycle, which covers an eight-year planning period (April 15, 2021 – April 15, 2029).

The RHNA Plan includes:

- A description of the RHNA process
- A summary of the public outreach used to prepare the RHNA Plan
- An overview of the methodology developed to allocate the region’s housing needs in four income categories
- A description of how the RHNA Plan implements the [2015 Regional Plan](#) and furthers the objectives and factors contained in state law

RHNA Process

State law requires the State of California, every regional council of governments, and every city and county to participate in the RHNA process, which has four phases:

- 1. RHNA Determination** – HCD in consultation with SANDAG, calculates a demographic housing need for the region based on headship and vacancy rates, household size, and other factors in state law; then it is divided into four income categories.
- 2. RHNA Methodology** – SANDAG prepares a draft methodology, which will be used to allocate a share of the RHNA determination to each jurisdiction in four income categories. The draft methodology is sent to HCD for review and comment to determine whether it furthers the objectives in state law. Following HCD’s review SANDAG adopts the final methodology.



RHNA Intent

To ensure housing was planned for in each city and county in the state, the State Legislature declared the following in state law:

- The availability of housing is of vital statewide importance
- Decent housing and a suitable living environment for every Californian is a priority of the highest order
- This goal requires the cooperative participation of government and the private sector to expand housing opportunities
- Local and state governments have a responsibility to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community

See Government Code Section 65580.

³ [California Government Code Section 65580 et seq.](#)

3. **RHNA Plan** – Using the adopted methodology, the RHNA Plan includes an allocation of housing units to each jurisdiction in four income categories.
4. **Housing Element Updates** – Each jurisdiction must update its housing element to accommodate the RHNA Plan housing allocation.

HCD’s RHNA Determination

In March 2018, HCD prepared a draft RHNA Determination for the San Diego region using the following data:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter’s households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

State law requires HCD to consult with SANDAG to develop the final RHNA Determination. The consultation process included a review of HCD’s calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG), Regional Planning Committee (RPC), and the Board.

In June 2018, the Board directed staff to submit comments to HCD accepting the draft RHNA Determination. The consultation process concluded when HCD submitted the final RHNA Determination to SANDAG in July 2018.

The final RHNA Determination (Appendix A) requires SANDAG and its member agencies to plan for a total of 171,685 housing units through the 2021-2029 planning period to address the region’s housing needs. Table 2.1 shows the housing unit need by income category.

Table 2.1: Regional Housing Needs Assessment Determination

Income Category	Housing Units Needed	Percent
Very Low	42,332	24.7%
Low	26,627	15.5%
Moderate	29,734	17.3%
Above Moderate	72,992	42.5%
Total	171,685	100.0%



SANDAG RHNA Plan Requirements

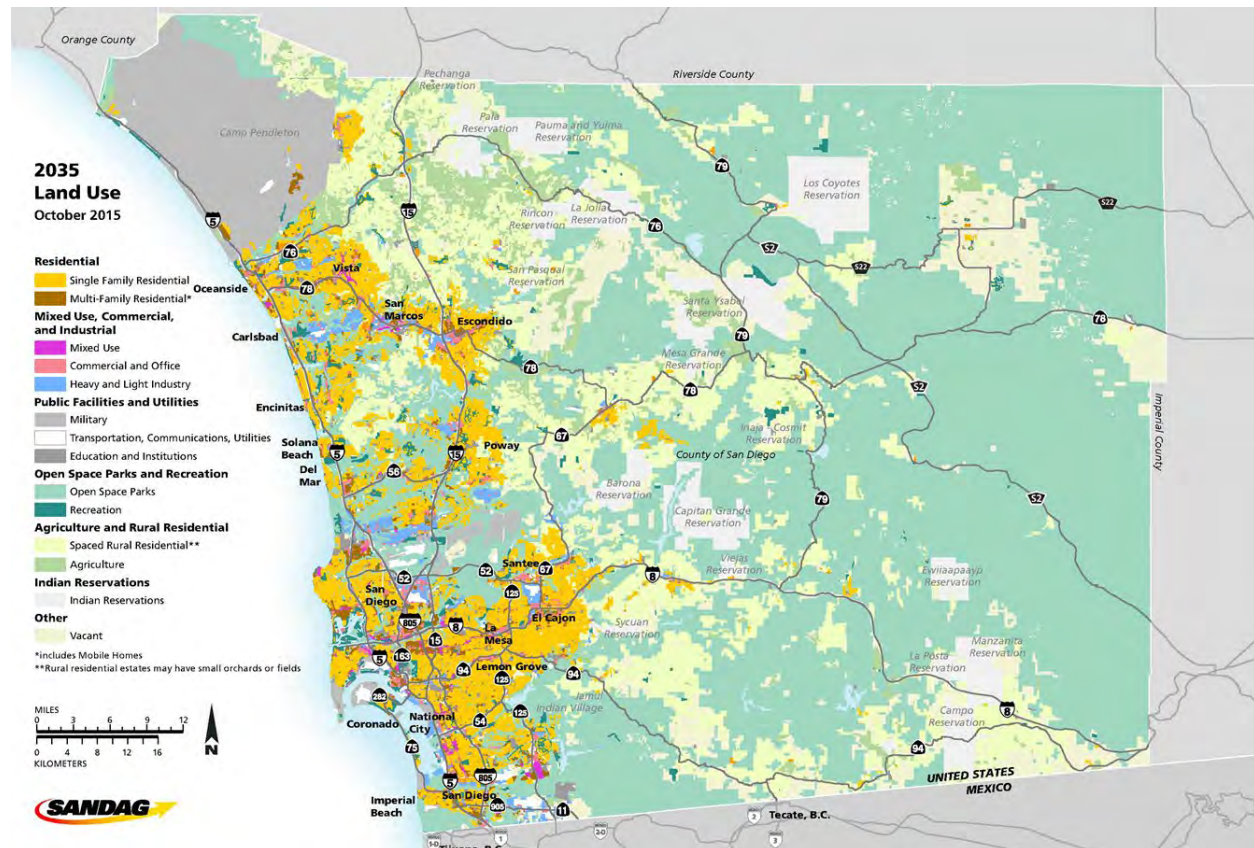
The RHNA Plan is required by state law to allocate housing units within the region in a manner consistent with the development pattern included in the Sustainable Communities Strategy (SCS). Included in the 2015 Regional Plan, the SCS aims to move the region toward greater sustainability by focusing on housing and job growth in urbanized areas where there is existing and planned transportation infrastructure, including transit; and addressing the housing needs of all economic segments of the population. The RHNA Plan implements and fulfills the goals of the SCS by using a methodology that allocates housing based on availability of transit and jobs, with a focus on equitably distributing low-income housing throughout the region. The majority (96%) of the housing units are allocated to incorporated cities. Therefore, housing will be planned for in the region's existing urbanized areas, consistent with the development pattern described in the SCS.

The SCS includes five sustainability strategies furthered by the RHNA Plan housing unit allocation. The first strategy focuses housing and job growth in urbanized areas where there is existing and planned transportation infrastructure, including transit. The RHNA Plan specifically allocates housing units in the region based on the location of commuter and light rail, *Rapid* buses, and major transit stops.

San Diego Forward: The 2015 Regional Plan Sustainability Strategies

- Focus housing and job growth in urbanized areas where there is existing and planned transportation infrastructure, including transit
- Protect the environment and help ensure the success of smart growth land use policies by preserving sensitive habitat, open space, cultural resources, and farmland
- Invest in a transportation network that gives people transportation choices and reduces GHG emissions
- Address the housing needs of all economic segments of the population
- Implement the Regional Plan through incentives and collaboration

Figure 2.1: 2035 Land Use



The second strategy calls for protecting the environment and ensuring the success of smart growth land use policies by preserving sensitive habitat, open space, cultural resources, and farmland. The RHNA Plan allocates a vast majority of the housing units in the existing urban areas; a discussion of how open space, habitat, and farmland are preserved by allocating housing units in the region’s urban areas is discussed in this report.

The third strategy calls for investment in a transportation network that gives people transportation choices and reduces GHG emissions. Consistent with state law, the RHNA Plan prioritizes the reduction of VMT and GHG emissions by locating housing near jobs and transit. Housing growth near transit will provide choices for the region’s residents on how they get to work, school, or other areas of interest.

The fourth strategy focuses on addressing the housing needs of all economic segments of the population. The RHNA Determination found that over 40% of the housing units needed in the region are for low- and very-low-income residents (Table 2.1). The RHNA Plan allocates low- and very-low income housing units for these residents in every jurisdiction. Further, the RHNA Plan allocates more low- and very-low income units in jurisdictions that have fewer existing low- and very-low income households. The equity adjustment seeks to increase jurisdictions’ mix of housing affordability and furthers fair housing by providing units for all economic segments of the population in all areas throughout the region.

Lastly, the fifth strategy calls for implementation through incentives and collaboration. The RHNA Plan was developed through a collaborative process with local government staff, elected officials, the public, and housing stakeholders providing valuable input. SANDAG plans to implement the SCS through the development of a housing incentive program. Permitting and constructing 171,685 housing units in the region will take the collaboration of government at all levels.

State law⁴ requires the RHNA Plan to further five objectives related to housing supply, infill development, jobs/housing relationship, equity, and fair housing, and requires that 12 factors be considered in the development of the methodology to allocate housing units. The Methodology and Allocation section of this report describes how the RHNA Plan furthers these objectives and considers each of the factors in state law.

Regional Housing Needs Assessment Plan Objectives

Government Code 65584(d)

The regional housing needs allocation plan shall further all of the following objectives:

- (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.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region’s greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (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 American Community Survey.
- (5) Affirmatively furthering fair housing.

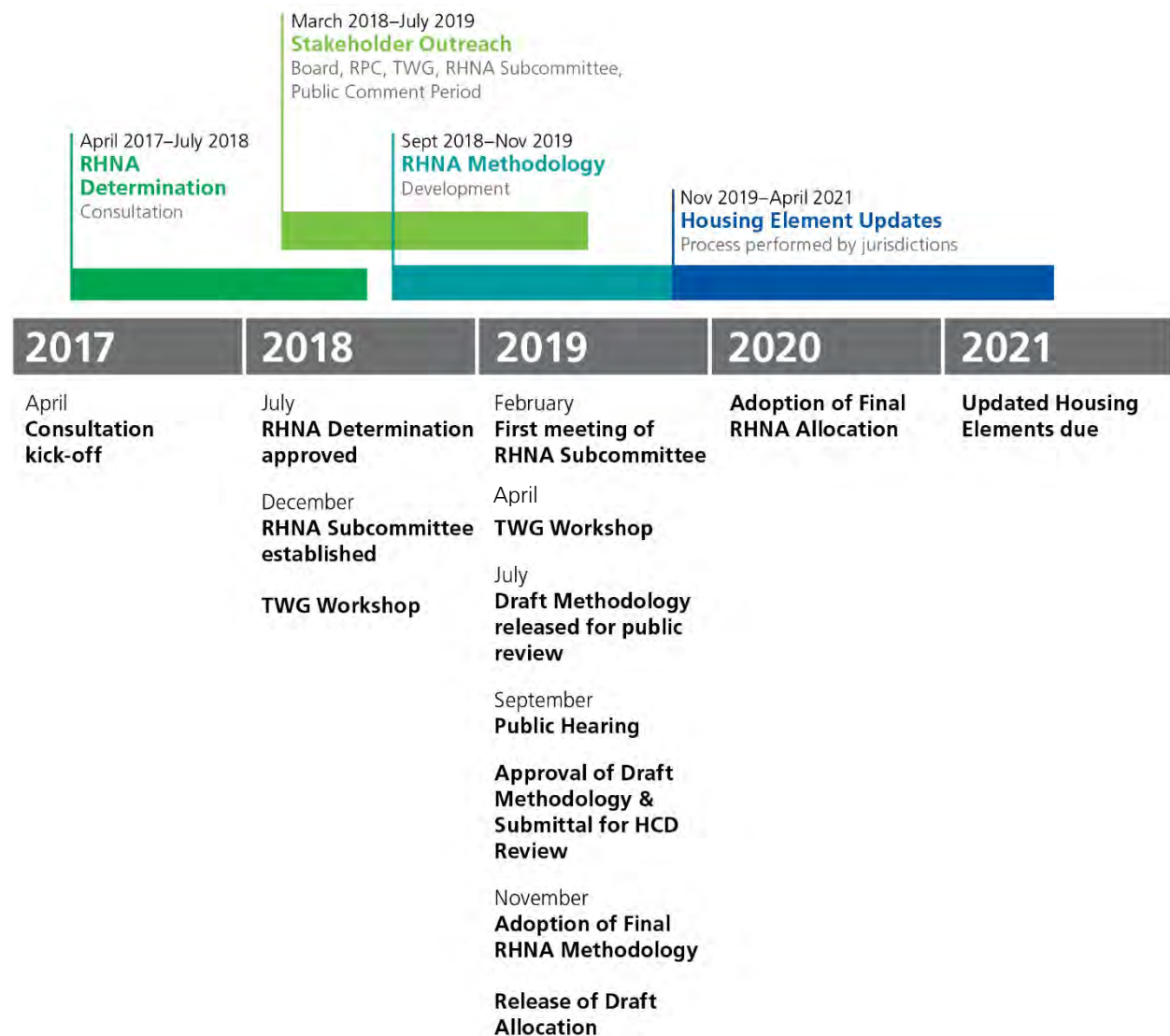
⁴ California Government Code Section 65584(d) and 65584.04(e)

Housing Element Update

Upon the adoption of the RHNA Plan and the allocation of housing units to each jurisdiction, state law requires local governments to update their housing elements to accommodate the housing unit allocation in the RHNA Plan. Housing elements are part of each jurisdiction’s [General Plan](#), which acts as a guide or blueprint for future development. Local governments adopt plans and regulatory systems in their housing elements to provide opportunities for private and non-profit developers to build housing to adequately address the needs of Californians.

Housing elements must be certified by HCD to ensure they are compliant with state law. Certification of housing elements for jurisdictions in the San Diego region must be accomplished by April 2021. For more information on housing elements, see HCD’s [Building Blocks: A Comprehensive Housing-Element Guide](#).

6th Cycle RHNA Process Timeline



3 SANDAG Oversight of the 6th Cycle RHNA Process

The methodology used to distribute the RHNA Determination housing units among the 19 jurisdictions in the San Diego region was developed through an iterative process, which included extensive stakeholder outreach. Feedback provided by stakeholders was used to establish an initial framework, select appropriate datasets, and refine the methodology.

This section provides an overview of stakeholder outreach, including decisions driving the inclusion of key components in the methodology, and technical information on specific datasets and calculations.

Stakeholder Outreach

Public participation involved facilitating discussion and soliciting input, data and recommendations from the Board, RHNA Subcommittee (a subcommittee of the Board), TWG, RPC (a policy advisory committee of the Board), and public stakeholders.

Board of Directors

Staff solicited input from the Board on an approach for the methodology beginning in September 2018. At its September 14, 2018, meeting, the Board was surveyed to determine each member jurisdiction’s priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The member jurisdictions requested that their initial set of priorities be further discussed by the TWG. The Board also directed the formation of the RHNA Subcommittee to review and provide input and guidance on potential policy and technical options for developing the methodology for allocation of housing units to each jurisdiction in the RHNA Plan.

Staff provided the Board with periodic updates on progress made by the RHNA Subcommittee as well as feedback received from other stakeholders. The Board received an update on the preliminary methodology in May 2019 and approved the release of the draft methodology for public comment at its July 26, 2019, meeting. The Board also conducted a public hearing for the RHNA Methodology on September 6, 2019, and adopted the final methodology on November 22, 2019, following HCD’s review.



Regional Housing Needs Assessment Subcommittee

The RHNA Subcommittee was formed by the Board in December 2018 and is tasked with developing a methodology and considering housing incentives following the adoption of the RHNA Plan. The RHNA Subcommittee is comprised of Board members from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings between spring and summer 2019, prior to the Board’s release of the draft methodology. Critical direction provided by the RHNA Subcommittee included the following:

- Create a narrative around housing that promotes regional unity in addressing the housing need
- Establish a framework that incorporates transit and jobs to further the objective of increasing transit use, reducing VMT and GHG emissions, and relieving traffic congestion
- Include an equity adjustment to ensure the allocation furthers fair housing and increased affordability in all cities and the County of San Diego
- Evaluate opportunities for military installations within the region to provide housing for military and their families

Regional Housing Needs Assessment Subcommittee Members

Catherine Blakespear, Chair

Mayor, City of Encinitas
(Representing North County Coastal)

Mary Salas

Mayor, City of Chula Vista
(Representing Regional Planning Committee)

Monica Montgomery

Councilmember, City of San Diego

Jim Desmond

Supervisor, County of San Diego

Kristine Alessio

Councilmember, City of La Mesa
(Representing East County)

Rebecca Jones

Mayor, City of San Marcos
(Representing North County Inland)

Richard Bailey

Mayor, City of Coronado
(Representing South County)



Regional Planning Technical Working Group

The TWG is a SANDAG working group, which consists of the planning or community development director from each jurisdiction and representatives from other single-purpose regional agencies, such as the transit operators. The TWG advises the RPC and Board on the development and implementation of the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology at 11 meetings between December 2018 and June 2019, including two workshops specifically focused on RHNA.

Information on local government conditions provided by TWG members included:

- Preserved open space, agricultural lands, and airports and associated safety zones
- Universities and community colleges
- Military installations
- Low-wage jobs
- Voter requirements

Feedback provided by TWG members for which there was general consensus that was incorporated into the methodology included:

- Prioritizing transit, with greater weight given to major transit investments—rail and *Rapid* (R&R) stations—over local bus service
- Improving the job-housing relationship
- Encouraging the development of a mix of housing types across the region
- Addressing historical patterns of inequity in housing development

Regional Planning Committee

The RPC is one of the SANDAG Policy Advisory Committees, which provides oversight for the preparation and implementation of the Regional Plan. The RPC discussed the RHNA process at two of its meetings.

Information on local government conditions provided by RPC members included:

- Airport safety zones
- Housing development opportunities at major employment centers
- Sea level rise

Feedback received from the RPC which informed the development of the methodology included:

- Aligning priorities for the RHNA Methodology with priorities adopted by jurisdictions through other planning efforts such as climate action plans



Public

All meetings of the RHNA Subcommittee, TWG, RPC, and Board were open to the public. Representatives of many housing and land use stakeholder groups actively participated in RHNA discussions.

Notable stakeholder groups involved in discussions included the San Diego Housing Federation, Housing You Matters, Housing the Next 1 Million, San Diego Association of Realtors, and Circulate San Diego. The public also had the opportunity to provide input during the public comment period at the meetings described above.

Public Hearing and Comment Period

On July 26, 2019, the Board released a draft methodology for public review. SANDAG received over 2,000 written comments on the draft methodology from jurisdictions, organizations, and members of the public; all public comments, frequently asked questions, and responses to comments are posted online at sandag.org/rhna. In general, public comments requested the consideration or inclusion of the following in the methodology: population, geographic size, current density, available land, existing zoning, military housing, tribes, traffic congestion, parking, community character, transit service areas, market forces, jobs-housing ratio, public safety, and environmental concerns. The Board held a public hearing on September 6, 2019, where 31 members of the public provided verbal comments on the draft methodology. SANDAG also prepared a response to public comments, which was considered by the Board at the public hearing. After the public hearing, the Board concluded the public review period.

HCD Methodology Review

After consideration of the comments received, the Board authorized staff to submit the draft methodology to HCD for review. In a letter dated November 1, 2019, HCD notified SANDAG of its findings on the draft methodology (Appendix B).

HCD provided a brief summary of findings related to each RHNA objective in state law, finding that the methodology:

- Encouraged higher density planning in jurisdictions with more single-family homes, improving the mix of housing types
- Furthered infill and environmental principles, as the overall allocation is based on the location of jobs and transit access, noting that the methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes
- Improved the relationship between low-wage jobs and low-income housing, provided an equitable share of housing units throughout the region, and affirmatively furthered fair housing



Appeals Period and Adoption of the Final RHNA Plan

On November 22, 2019, the Board adopted the final methodology and issued the draft allocation, which are incorporated in the following section of this report. Appendix C is the Board resolution adopting the final methodology. Pursuant to state law, jurisdictions and HCD were provided 45 days to submit appeals of the draft allocation. SANDAG received appeals from the cities of Coronado, Imperial Beach, Lemon Grove, and Solana Beach. At the conclusion of the appeal period, SANDAG distributed the four appeals to each jurisdiction and HCD, which began a second 45-day period for jurisdictions or HCD to provide comments on any or all appeals. SANDAG received five comment letters on the appeals: three from the City of Lemon Grove and one each from the cities of Coronado and Solana Beach. The Board held a public hearing to make a final determination, which either accepted, rejected, or modified each of the appeals on June 26, 2020. The final determinations, including written findings as to how each determination is consistent with state law, are located at sandag.org/rhna.

Based on the results of the appeals process, SANDAG adjusted the share of the regional housing needs allocated to the cities of Coronado, Imperial Beach, and San Diego. During a discussion with Naval Facilities Engineering Command Southwest in February 2020, it became clear that the jobs data for the Silver Strand Training Complex (SSTC) in the City of Coronado and the Naval Outlying Landing Field (NOLF) in the City of Imperial Beach was not aligned with the demographics report published by the Defense Manpower Data Center (DMDC) used to develop the SANDAG Employment Estimates. SSTC and NOLF have at most 99 active duty military jobs according to DMDC data. The total jobs data had erroneously treated both SSTC and NOLF as remote stations of Naval Base San Diego 32nd Street and redistributed a portion of the jobs at the 32nd Street installation located in the City of San Diego to SSTC and NOLF. To accurately reflect the DMDC report, the jobs previously assigned to these two installations are now properly attributed to the City of San Diego as part of the 32nd Street installation.

Additionally, Naval Air Station North Island (NASNI) jobs were reallocated based on the City of Coronado's appeal. Approximately 80.5% of the land area of NASNI is within the City of Coronado and 19.5% is within the City of San Diego. Therefore, the jobs at NASNI have been reassigned to each of the cities proportionate to the share of land area within each jurisdiction.

State law also provides a process for redistributing excess housing units resulting from any adjustments to the jurisdictions' allocations. However, there are no excess housing units to redistribute because the adjustments are based on a correction to the underlying data. Consistent with Government Code Section 65584.05(g), the RHNA Plan incorporates the results of the appeals process and fully allocates the regional share of the statewide housing need as determined by Government Code Section 65584.01.



4 Methodology and Allocation

This section provides a detailed description of the methodology, including decisions driving the inclusion of key components in the methodology and technical information on specific datasets and calculations.

RHNA Methodology

The methodology was developed with input and recommendation from the Board, RHNA Subcommittee, TWG, RPC, and public stakeholders; several public meetings were held with each stakeholder group. Attendees at each meeting provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in their individual jurisdictions that should be taken into consideration; jurisdictions and stakeholders also provided written comments during the process. Feedback provided by stakeholders was used to establish an initial framework, select appropriate datasets, and refine the methodology.

The consensus among participants was to develop an understandable methodology to engage the public in this critical regional conversation. Nuanced adjustments that may have modified the methodology in marginal ways in relation to the overall objectives and factors were discussed and considered. Factors and adjustments that would have created a complicated formula were not pursued since the methodology was developed with the intent to keep it transparent and understandable while also furthering the objectives and factors in state law.

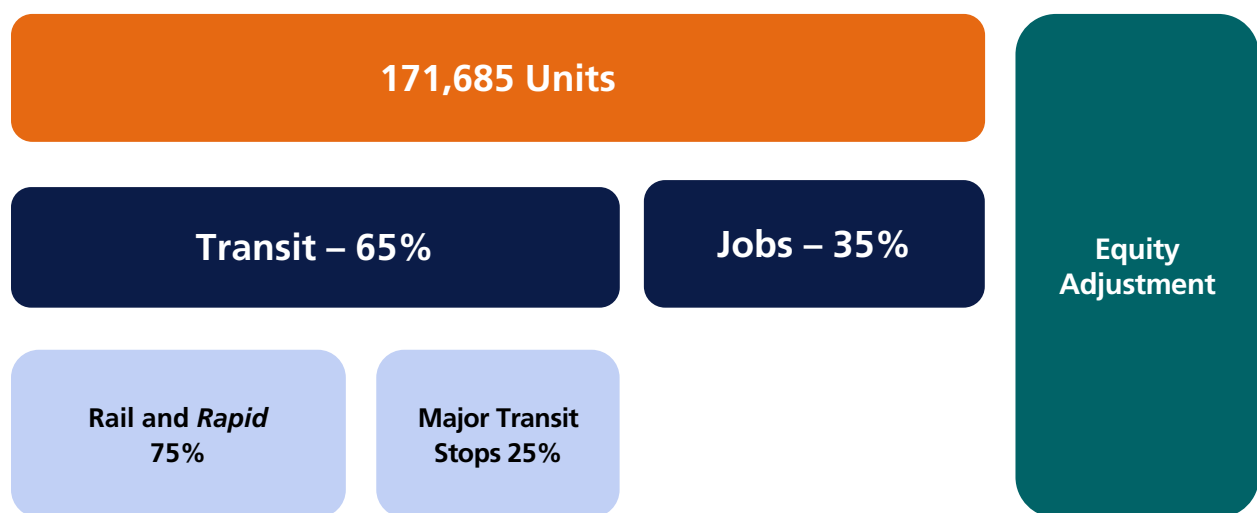
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The final methodology adopted by the Board (Appendix C), depicted in Figure 4.1, includes the following components:

1. Of the total housing units, 65% will be allocated to jurisdictions with access to transit, including R&R stations and major transit stops. Significant investments in transit have been made throughout the region, and the methodology prioritizes housing growth in those areas with access to transit. Encouraging housing growth near transit can promote infill development (developing vacant or under-used land within existing urban areas that are already largely developed) and preserve open space, as most transit is located in urbanized areas. Improved access to transit can also lower the VMT in a car and reduce GHG emissions.
2. Within the housing units allocated for jurisdictions with access to transit, 75% of the units will be allocated to jurisdictions with R&R stations and 25% will be allocated to jurisdictions with major transit stops. To ensure future growth is located near transit, the methodology prioritizes 75% of the housing units in areas with R&R stations; which, are usually located along fixed routes that require significant capital investment to construct. Unlike bus stops or routes, R&R stations and routes are not amended or eliminated on a regular basis. The remaining 25% of the housing units will be allocated in jurisdictions with major transit stops, which as defined in state law⁵, have two intersecting bus routes that arrive at 15-minute intervals during peak commute hours.
3. Of the total housing units, 35% will be allocated to jurisdictions based on the total number of jobs within the jurisdiction. Jurisdictions should plan for housing to provide opportunities for more residents to live near their place of employment; promoting infill development and improving the intraregional relationship between jobs and housing.
4. The methodology further applies an equity adjustment. The RHNA Determination divided the number of housing units needed in the region into four income categories based on the region’s current percentages of households in each category. The equity adjustment includes a calculation of the existing households in each jurisdiction in each income category. To promote equity and fair housing, as well as to meaningfully address patterns of segregation, the methodology will allocate more housing units within each income category to jurisdictions with a percentage of households in that same category that is lower than the regional percentage.

Figure 4.1: RHNA Methodology



⁵ Public Resources Code Section 21064.3(c)

Transit

Of the total housing units, 65% (111,595 housing units) are allocated based on each jurisdiction's share of regional transit services. Because most transit infrastructure is located in the urbanized areas of the San Diego region, heavily weighting the transit component will promote infill development, preserve open space, and reduce VMT and GHG emissions.

The transit component measures each jurisdiction's share of R&R stations and major transit stops, which are defined below.

- R&R Stations: Stations served by rail (North County Transit District [NCTD] COASTER; NCTD SPRINTER; and Metropolitan Transit System [MTS] Trolley, including planned Mid-Coast stations), and *Rapid* routes (NCTD BREEZE route 350; MTS *Rapid* routes 215, 225, and 235; and MTS *Rapid* Express routes 280 and 290)
- Major Transit Stops: The intersection of two or more major local bus routes with a frequency of service interval of 15 minutes or less during peak commute hours



Of the units allocated based on the transit component, 75% (83,696 housing units) are allocated based on each jurisdiction's share of R&R stations, while 25% (27,899 housing units) are allocated based on each jurisdiction's share of major transit stops. This reflects the significant investment the region has made to build and improve rail lines and *Rapid* routes as well as the permanency of rail lines relative to local bus service. Therefore, the methodology assumes these services can have a larger impact on commute behavior and achieving mode shift goals.

Data Source

The data source for the transit component is the SANDAG Activity-Based Model (ABM). For R&R stations, SANDAG ABM Forecast Year 2025 No Build was used in order to capture the Mid-Coast Trolley stations currently under construction and anticipated to be open for service to the public by 2021. For major transit stops, SANDAG ABM Forecast Year 2020 was used as the specific data source to align with the start of the sixth housing element cycle planning period.

For *Rapid* stations and major transit stops that have stops on either side of the road, which correspond to northbound/southbound or eastbound/westbound travel, stop pairs were counted as one station or stop. Stations that serve more than one rail and/or *Rapid* route were counted once in the R&R data. For example, the Oceanside Transit Center, which is served by two rail lines (NCTD COASTER and NCTD SPRINTER), accounts for only one of the seven R&R stations in Oceanside. Some R&R stations are also considered major transit stops because they are also served by two or more bus lines with 15-minute frequencies during peak commute. The Old Town Transit Center in the City of San Diego, for example, is both an R&R station (served by the NCTD COASTER and MTS Trolley) and a major transit stop (served by MTS Bus routes 10, 30, 35, and 44, which have 15-minute peak period frequencies).

The data underlying the proximity to transit component is included in Table 4.1 and shown on a map in Figure 4.2.

Table 4.1: Transit Data

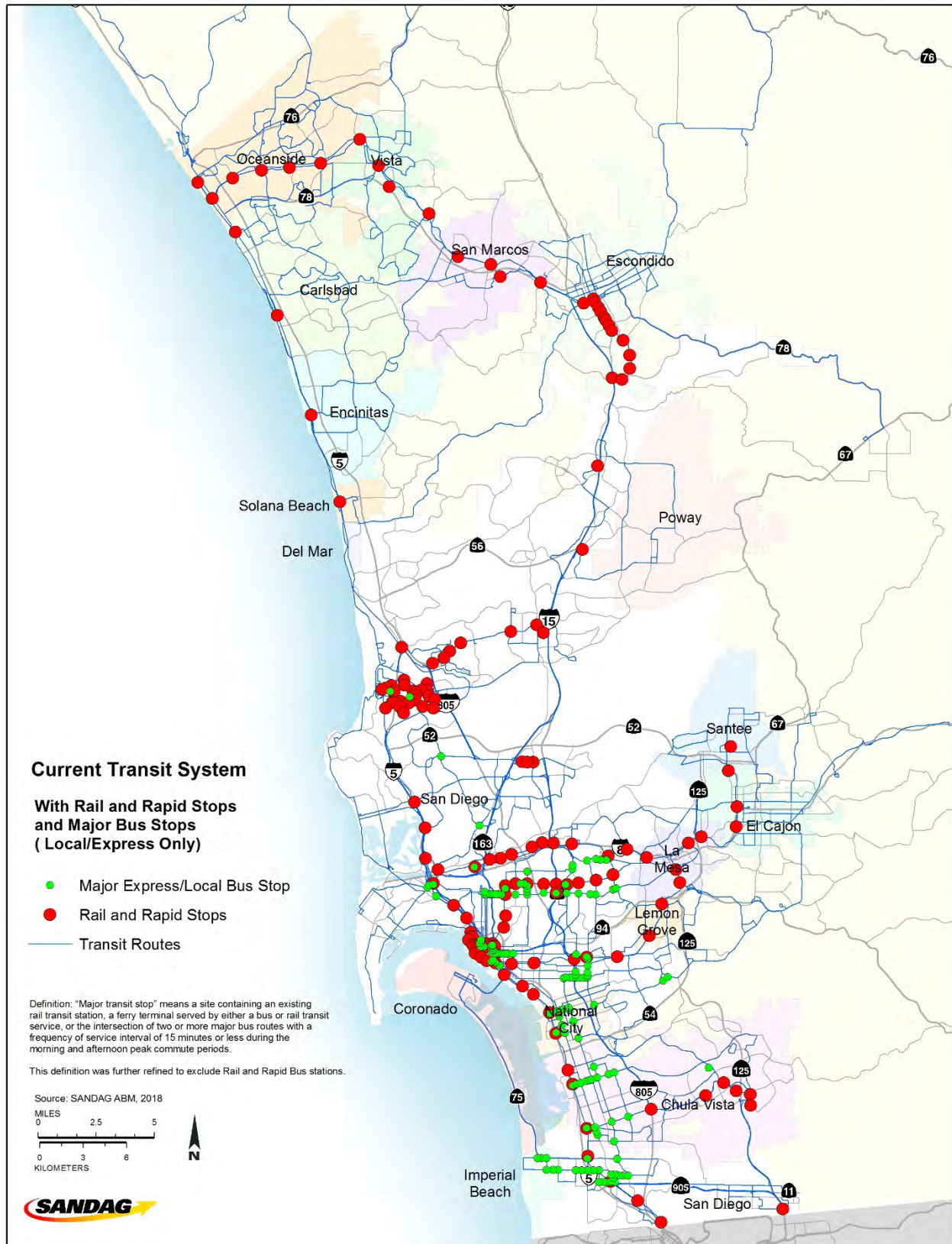
Jurisdiction	Rail & Rapid Stations		Major Transit Stops	
	Count	Regional Share (%)	Count	Regional Share (%)
Carlsbad	2	1.3%	0	0.0%
Chula Vista	9	5.8%	18	12.9%
Coronado	0	0.0%	0	0.0%
Del Mar	0	0.0%	0	0.0%
El Cajon	3	1.9%	0	0.0%
Encinitas	1	0.6%	0	0.0%
Escondido	14	9.1%	0	0.0%
Imperial Beach	0	0.0%	6	4.3%
La Mesa	5	3.2%	0	0.0%
Lemon Grove	2	1.3%	0	0.0%
National City	2	1.3%	15	10.7%
Oceanside	7	4.5%	0	0.0%
Poway	0	0.0%	0	0.0%
San Diego	100	64.9%	101	72.1%
San Marcos	3	1.9%	0	0.0%
Santee	1	0.6%	0	0.0%
Solana Beach	1	0.6%	0	0.0%
Unincorporated County	2	1.3%	0	0.0%
Vista	2	1.3%	0	0.0%
Region	154	100.0%	140	100.0%

Sources: *R&R Stations – SANDAG ABM, Forecast Year 2025 No Build*⁶;
*Major Transit Stops – SANDAG ABM, Forecast Year 2020*⁷

⁶ SANDAG ABM, Forecast Year 2025 No Build, Release v14.0.1, Reference Scenario #242, January 2019.

⁷ SANDAG ABM, Forecast Year 2020, Release v14.0.1, Reference Scenario #243, January 2019.

Figure 4.2: Transit Data



Jobs

Of the total housing units, 35% (60,090 units) are to be allocated based on each jurisdiction’s share of jobs in the region.

Data Source

The data source for the jobs component is the SANDAG Employment Estimates, which are also being used to develop the latest Regional Growth Forecast. SANDAG Employment Estimates are derived from Quarterly Census of Employment and Wages (QCEW) data from the Economic Development Department (EDD) and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES) data from the Center for Economic Studies at the U.S. Census Bureau. The LODES data combines federal, state, and Census Bureau survey data on employers and employees; SANDAG uses the QCEW dataset for its detailed geographic information on businesses to geolocate “job spaces” throughout the region. Then LODES data (average of the last five years), which are available at the census block level, are used to fill the job spaces to determine total jobs within various geographies. SANDAG Employment Estimates are also supplemented by other data sources including the San Diego Military Advisory Council (SDMAC) and DMDC. Of note, SDMAC and DMDC assign jobs associated with a Navy ship to the installation that is the ship’s homeport. Finally, the jobs data are validated against published job totals for the county from the EDD Labor Market Information’s yearly data.

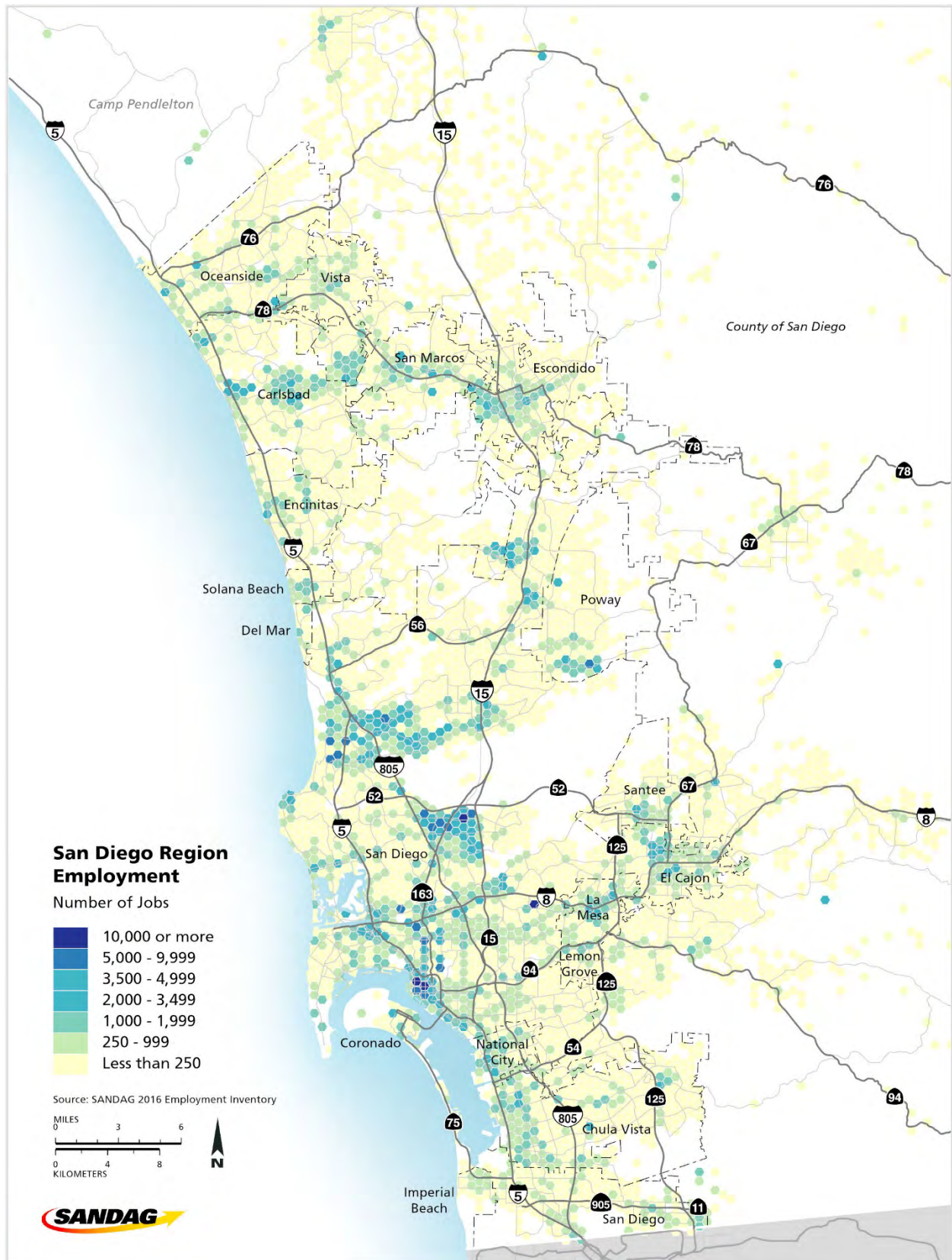
The jobs data consists of all job types and includes jobs that are classified as a primary source of income, which can be part-time or full-time, year-round or seasonal. The data underlying the jobs component is included in Table 4.2 and shown on a map in Figure 4.3.

Table 4.2: Jobs Data

Jurisdiction	Total Jobs	Regional Share (%)
Carlsbad	76,779	4.6%
Chula Vista	72,403	4.4%
Coronado	25,149	1.5%
Del Mar	4,484	0.3%
El Cajon	45,468	2.7%
Encinitas	27,871	1.7%
Escondido	55,059	3.3%
Imperial Beach	3,666	0.2%
La Mesa	29,773	1.8%
Lemon Grove	7,492	0.5%
National City	37,497	2.3%
Oceanside	45,178	2.7%
Poway	36,349	2.2%
San Diego	924,967	55.8%
San Marcos	40,964	2.5%
Santee	18,634	1.1%
Solana Beach	9,151	0.6%
Unincorporated County	154,686	9.3%
Vista	40,629	2.5%
Region	1,656,199	100.0%

Source: SANDAG Employment Estimates and/or SANDAG 2019 Regional Growth Forecast; U.S. Department of Defense

Figure 4.3: Jobs Data



Equity Adjustment

In addition to distributing the RHNA Determination among jurisdictions, SANDAG must distribute units for each jurisdiction among the four income categories defined by HCD. Each income category is defined as a range of household incomes that represents a percentage of the area median income (AMI). The AMI for a family of four in the San Diego region is \$66,529, as provided by HCD. Table 4.3 provides the definition for each income category and the income ranges for San Diego region households per category.

Table 4.3: Income Categories

Income Category	Definition	Income Range	Percent of Regional Households (RHNA Determination)
Very Low	Less than 50% of AMI	\$33,259 or less	24.7%
Low	50-80% of AMI	\$33,260 - \$53,219	15.5%
Moderate	80-120% of AMI	\$53,220 - \$79,829	17.3%
Above Moderate	Over 120% of AMI	\$79,830 or more	42.5%

Source: HCD Determination Letter; 2012-2016 American Community Survey 5-Year, DP03

Household income data was used to determine the number and share of households per income category in each jurisdiction, which is included in Table 4.4.

A jurisdiction’s share of households in an income category is compared to the region’s share of households in the same income category by determining the relative difference between the two percentages, which is found by taking the inverse ratio of a jurisdiction’s share of households within an income category to the region’s share.



Table 4.4: Households per Income Category

Jurisdiction	Total Households	Existing Households by Income Category							
		Very Low	%	Low	%	Moderate	%	Above Moderate	%
Carlsbad	42,926	6,981	16.3%	4,644	10.8%	5,940	13.8%	25,360	59.1%
Chula Vista	77,804	19,459	25.0%	11,987	15.4%	13,643	17.5%	32,715	42.0%
Coronado	8,986	1,506	16.8%	1,109	12.3%	1,442	16.1%	4,929	54.9%
Del Mar	2,258	430	19.0%	102	4.5%	248	11.0%	1,478	65.5%
El Cajon	32,937	12,434	37.8%	5,754	17.5%	5,615	17.0%	9,135	27.7%
Encinitas	23,695	4,287	18.1%	2,168	9.2%	3,182	13.4%	14,058	59.3%
Escondido	45,217	13,880	30.7%	8,239	18.2%	8,245	18.2%	14,853	32.8%
Imperial Beach	9,044	2,888	31.9%	2,105	23.3%	1,726	19.1%	2,325	25.7%
La Mesa	23,767	6,368	26.8%	4,468	18.8%	4,609	19.4%	8,322	35.0%
Lemon Grove	8,465	2,316	27.4%	1,643	19.4%	1,730	20.4%	2,776	32.8%
National City	15,870	6,436	40.6%	3,271	20.6%	2,848	17.9%	3,315	20.9%
Oceanside	61,480	16,148	26.3%	11,348	18.5%	11,297	18.4%	22,687	36.9%
Poway	15,797	2,418	15.3%	1,675	10.6%	2,281	14.4%	9,422	59.6%
San Diego	490,219	119,014	24.3%	75,283	15.4%	82,616	16.9%	213,305	43.5%
San Marcos	29,125	7,707	26.5%	4,212	14.5%	5,043	17.3%	12,163	41.8%
Santee	19,517	3,493	17.9%	2,812	14.4%	3,683	18.9%	9,528	48.8%
Solana Beach	5,750	883	15.4%	698	12.1%	854	14.9%	3,315	57.7%
Unincorporated County	159,642	35,996	22.5%	26,493	16.6%	27,598	17.3%	69,555	43.6%
Vista	30,629	9,016	29.4%	5,746	18.8%	6,112	20.0%	9,754	31.8%
Region	1,103,128	271,661	24.6%	173,760	15.8%	188,713	17.1%	468,995	42.5%

Source: 2012-2016 American Community Survey (ACS) 5-Year, B19001 "Household Income in The Past 12 Months (In 2016 Inflation-Adjusted Dollars)"

The relative difference is used as a scaling factor that adjusts the region’s percentage of households in an income category (e.g. 24.7% for very-low-income) and uses this adjusted percentage as the jurisdiction’s share of its housing allocation for that income category. Table 3.5 demonstrates how the equity adjustment works. In the table, a scaling factor greater than one causes an upward adjustment and a scaling factor less than one causes a downward adjustment.

The equity adjustment increases a jurisdiction’s share of its housing allocation in an income category if its share of households within the category is smaller than the region. Conversely, the adjustment decreases a jurisdiction’s share of its housing allocation in an income category if its share of households within the category is greater than the region. In this way, the equity adjustment seeks to increase jurisdictions’ mix of housing (housing for each income category) and combat historical patterns of segregation. Below are two examples of how the equity adjustment in the methodology is applied to the cities of Carlsbad and National City, chosen for comparison purposes.

Example A

In Carlsbad, 16.3% of households are very-low-income households, and in the region, 24.7% of households are very-low income; Carlsbad’s share of very-low-income households is less than the region. Using the equity adjustment in the methodology, Carlsbad receives a greater share (greater than 24.7%) of its housing unit allocation in the very-low-income category; 37.4% of Carlsbad’s total allocated housing units are in the very-low-income category.

Example B

Conversely, 40.6% of households in National City are very-low-income households; this is greater than the region’s 24.7% of very-low-income households. Therefore, based on the equity adjustment in the methodology, National City receives a smaller share (less than 24.7%) of its housing unit allocation in the very-low-income category; 15% of National City’s total allocated housing units are in the very-low-income category.

Data Source

SANDAG used data from the 2012-2016 ACS Five-Year, Table B19001 “Household Income in The Past 12 Months (In 2016 Inflation-Adjusted Dollars)” to determine the jurisdictions’ household breakdown among income categories. This dataset was also used by HCD to calculate the unit distribution across income category for the San Diego region’s RHNA Determination.



Table 4.5: Equity Adjustment Calculation

RHNA Determination	Very Low			24.7%	Low			15.5%	Moderate			17.3%	Above Moderate			42.5%
Jurisdiction	%	Scaling Factor		% Housing	%	Scaling Factor		% Housing	%	Scaling Factor		% Housing	%	Scaling Factor		% Housing
		Households	(↑ or ↓ adjustment)			Allocation	Households			(↑ or ↓ adjustment)	Allocation			Households	(↑ or ↓ adjustment)	
Carlsbad	16.3%	1.52	↑	37.4%	10.8%	1.43	↑	22.2%	13.8%	1.25	↑	21.7%	59.1%	0.72	↓	30.6%
Chula Vista	25.0%	0.99	↓	24.3%	15.4%	1.01	↑	15.6%	17.5%	0.99	↓	17.1%	42.0%	1.01	↑	43.0%
Coronado	16.8%	1.47	↑	36.3%	12.3%	1.26	↑	19.5%	16.1%	1.08	↑	18.7%	54.9%	0.78	↓	33.0%
Del Mar	19.0%	1.29	↑	31.9%	4.5%	3.44	↑	53.3%	11.0%	1.58	↑	27.3%	65.5%	0.65	↓	27.6%
El Cajon	37.8%	0.65	↓	16.1%	17.5%	0.89	↓	13.8%	17.0%	1.02	↑	17.6%	27.7%	1.53	↑	65.2%
Encinitas	18.1%	1.36	↑	33.6%	9.2%	1.69	↑	26.3%	13.4%	1.29	↑	22.3%	59.3%	0.72	↓	30.5%
Escondido	30.7%	0.80	↓	19.8%	18.2%	0.85	↓	13.2%	18.2%	0.95	↓	16.4%	32.8%	1.29	↑	55.0%
Imperial Beach	31.9%	0.77	↓	19.0%	23.3%	0.67	↓	10.3%	19.1%	0.91	↓	15.7%	25.7%	1.65	↑	70.3%
La Mesa	26.8%	0.92	↓	22.7%	18.8%	0.82	↓	12.8%	19.4%	0.89	↓	15.5%	35.0%	1.21	↑	51.6%
Lemon Grove	27.4%	0.90	↓	22.2%	19.4%	0.80	↓	12.4%	20.4%	0.85	↓	14.7%	32.8%	1.30	↑	55.1%
National City	40.6%	0.61	↓	15.0%	20.6%	0.75	↓	11.7%	17.9%	0.96	↓	16.7%	20.9%	2.04	↑	86.5%
Oceanside	26.3%	0.94	↓	23.1%	18.5%	0.84	↓	13.0%	18.4%	0.94	↓	16.3%	36.9%	1.15	↑	49.0%
Poway	15.3%	1.61	↑	39.7%	10.6%	1.46	↑	22.7%	14.4%	1.20	↑	20.8%	59.6%	0.71	↓	30.3%
San Diego	24.3%	1.02	↑	25.0%	15.4%	1.01	↑	15.7%	16.9%	1.03	↑	17.8%	43.5%	0.98	↓	41.5%
San Marcos	26.5%	0.93	↓	23.0%	14.5%	1.07	↑	16.6%	17.3%	1.00	↑	17.3%	41.8%	1.02	↑	43.3%
Santee	17.9%	1.38	↑	34.0%	14.4%	1.08	↑	16.7%	18.9%	0.92	↓	15.9%	48.8%	0.87	↓	37.0%
Solana Beach	15.4%	1.61	↑	39.6%	12.1%	1.28	↑	19.8%	14.9%	1.17	↑	20.2%	57.7%	0.74	↓	31.4%
Unincorporated County	22.5%	1.09	↑	27.0%	16.6%	0.93	↓	14.5%	17.3%	1.00	↑	17.4%	43.6%	0.98	↓	41.5%
Vista	29.4%	0.84	↓	20.7%	18.8%	0.83	↓	12.8%	20.0%	0.87	↓	15.0%	31.8%	1.34	↑	56.8%

Final RHNA Allocation

Based on the methodology as described above, the total allocation per jurisdiction is included in Table 4.6 and each jurisdiction's allocation per income category is included in Table 4.7.

Table 4.6: Total Allocation

Jurisdiction	Transit Weighting: 65%	Jobs Weighting: 35%	Total Allocation
Carlsbad	1,087	2,786	3,873
Chula Vista	8,478	2,627	11,105
Coronado	-	912	912
Del Mar	-	163	163
El Cajon	1,630	1,650	3,280
Encinitas	543	1,011	1,554
Escondido	7,609	1,998	9,607
Imperial Beach	1,196	133	1,329
La Mesa	2,717	1,080	3,797
Lemon Grove	1,087	272	1,359
National City	4,076	1,361	5,437
Oceanside	3,804	1,639	5,443
Poway	-	1,319	1,319
San Diego	74,478	33,558	108,036
San Marcos	1,630	1,486	3,116
Santee	543	676	1,219
Solana Beach	543	332	875
Unincorporated County	1,087	5,613	6,700
Vista	1,087	1,474	2,561
Region (Totals)	111,595	60,090	171,685

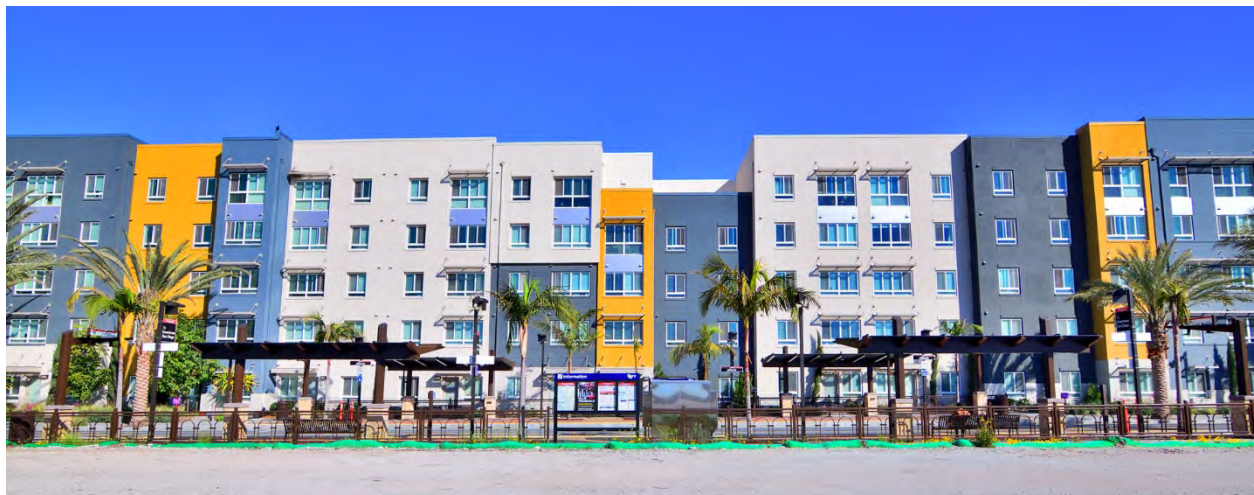


Table 4.7: Allocation per Income Category

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total Allocation
Carlsbad	1,311	784	749	1,029	3,873
Chula Vista	2,750	1,777	1,911	4,667	11,105
Coronado	312	169	159	272	912
Del Mar	37	64	31	31	163
El Cajon	481	414	518	1,867	3,280
Encinitas	469	369	308	408	1,554
Escondido	1,864	1,249	1,527	4,967	9,607
Imperial Beach	225	123	183	798	1,329
La Mesa	859	487	577	1,874	3,797
Lemon Grove	295	166	193	705	1,359
National City	645	506	711	3,575	5,437
Oceanside	1,268	718	883	2,574	5,443
Poway	468	268	241	342	1,319
San Diego	27,549	17,331	19,319	43,837	108,036
San Marcos	728	530	542	1,316	3,116
Santee	406	200	188	425	1,219
Solana Beach	316	159	160	240	875
Unincorporated County	1,834	992	1,165	2,709	6,700
Vista	515	321	369	1,356	2,561
Region (Totals)	42,332	26,627	29,734	72,992	171,685



5 Objectives and Factors

Objectives

The methodology and allocation described in the RHNA Plan further the five objectives listed in Government Code Section 65584.

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.*

Per state law, the methodology allocates units in all four income categories to each of the region's 19 jurisdictions. The methodology does so equitably, ensuring each jurisdiction receives an allocation for low- and very-low-income units, and further, allocating a higher share of low- and very-low income units to jurisdictions that currently have a smaller share of low- and very-low-income households than the regional share. State law requires jurisdictions to zone at higher densities to accommodate its low- and very-low-income housing allocation. As jurisdictions plan for and build housing, the mix of housing types will increase.

2. *Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's GHG reductions targets provided by the California Air Resources Board (ARB) pursuant to Section 65080.*

The methodology prioritizes transit and jobs to encourage efficient development patterns and reduce GHG emissions. By allocating housing units based on these two factors, SANDAG sets a guiding principle for local jurisdictions to zone and build housing near transit and job centers, which are located in the urbanized areas of the region. Therefore, an allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space; because infill development can occur on under-used land, the methodology supports provision of housing even in areas that are currently considered built-out.



SANDAG's GHG reduction target, as set by the ARB, is to reduce by 15% the region's per capita emissions of GHGs from cars and light trucks by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19% per capita. The methodology encourages the development of housing near jobs and transit, which will provide the region's residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce VMT, and increase trip-taking by transit or alternative modes.

Additionally, placing residents near jobs and transit is consistent with the ARB's identified policy goals and guidance detailed in the [2017 Climate Change Scoping Plan](#), which proposes to strengthen major programs related to climate impacts and further integrate efforts to reduce both GHG emissions and air pollution. Among the ARB's Vibrant Communities and Landscapes / VMT Reduction Goals identified to reduce GHG emissions from the transportation sector are the following:

- Promote all feasible policies to reduce VMT, including:
 - Land use and community design that reduce VMT
 - Transit oriented development
 - Complete street design policies that prioritize transit, biking, and walking
 - Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities
 - Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use
 - Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the "first mile, last mile" gap between commuters' transit stops and their destinations
 - Continue research and development on transportation system infrastructure, including:
 - Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects
 - Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use
 - Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey)
 - Strive for a nine-fold increase in the proportion of bike trips by 2030 (from a baseline of the 2010–2012 California Household Travel Survey)
 - Strive, in passenger rail hubs, for a transit mode share of between 10% and 50%, and for a walk and bike mode share of between 10% and 15% (Scoping Plan, p.76)
3. *Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.*

SANDAG conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis shows that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in each jurisdiction.

The methodology allocates 35% of the 171,685-unit regional housing need based on each jurisdiction's share of existing regional total jobs to encourage development of housing near job centers so that jurisdictions can improve the jobs-housing relationship.

Furthermore, the methodology's Equity Adjustment (see Objective 4) improves the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very-low-income housing units to jurisdictions that currently have a smaller share of low- and very-low-income households than the regional share.

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 ACS.*



This objective guided the development of the Equity Adjustment used to ensure the methodology will result in allocation of housing units to each of the income categories. This adjustment results in a jurisdiction receiving a lower proportion of its total housing units within an income category when it has a higher share of households within that income category compared to the region. This method shifts units across income categories, rather than adding units to a jurisdiction's total housing unit allocation, allowing for a mix of housing types and affordability near transit and jobs.

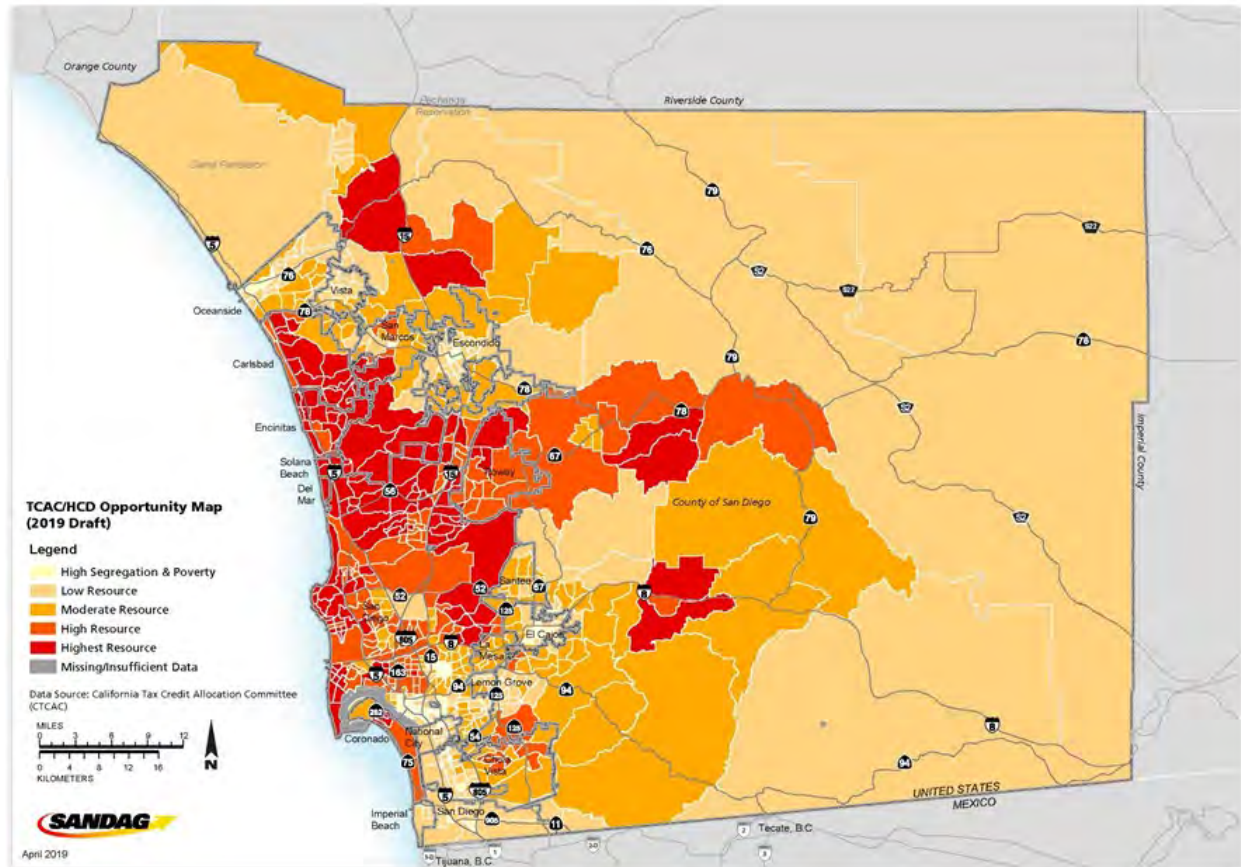
5. *Affirmatively furthering fair housing. For purposes of this section, "affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.*

During development of the methodology, SANDAG reviewed the California Tax Credit Allocation Committee (TCAC) 2019 Opportunity Map for the San Diego region included in Figure 5.1.

The TCAC map demonstrates how public and private resources are spatially distributed within the region. The map is part of a larger study that shows how communities with better air quality, higher educational attainment, and better economic indicators are communities that have higher "opportunity", or pathways that offer low-income children and adults the best chance at economic advancement. The study finds that historically communities with higher opportunity – through plans, policies, and practices – may have systematically denied equal opportunity to low socioeconomic and minority populations.

Areas of "low resource" and "high segregation and poverty" on the TCAC maps are also many of the same areas with a high concentration of low-income households in the San Diego region. The Equity Adjustment within the methodology addresses the disparities in access to resource-rich areas by providing housing opportunities for people in all income levels to reside in any given community. This is meant to foster and maintain compliance with civil rights and fair housing laws. The Equity Adjustment in the methodology assists in overcoming patterns of discrimination and transforming racially and ethnically concentrated areas of poverty into areas of opportunity by allocating a higher proportion of low-income housing units to jurisdictions with a lower share of low-income households, which tend to be jurisdictions with a high concentration of resource-rich areas.

Figure 5.1 California Tax Credit Allocation Committee Opportunity Map



Factors

In addition to furthering the objectives outlined above, state law requires that consideration of several factors be included in the development of the methodology, to the extent sufficient data is available pertaining to each factor. See Government Code Section 65584.04(e). The RHNA factors and how consideration of each was included in the development of the methodology are described below.

1. *Each jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.*

The methodology prioritizes jobs as a factor in allocating the regional housing need. The jobs factor seeks to encourage development of housing near job centers so that jurisdictions can achieve greater jobs-housing balance. The jobs factor uses current data on existing jobs instead of a projection. Given the housing shortage within the region, it is critical that housing is built where existing jobs are located to begin to address the current jobs-housing imbalance. Although data for projected job and household growth by income level for the next Regional Plan update is not yet available, SANDAG used the most recent readily available data for projected job growth and projected household growth by income level within each member jurisdiction to conduct its analysis.

SANDAG analyzed the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in each jurisdiction.

The methodology is expected to increase the supply of affordable housing by allocating each jurisdiction low- and very-low-income housing units. The methodology's Equity Adjustment (see Objective 4) should also improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very-low-income housing units to jurisdictions that currently have a smaller share of low- and very-low-income households than the regional share.

2. *The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:*

- a. *Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*

SANDAG notes that general plans for some jurisdictions may account for constraints to housing development arising from lack of capacity for sewer or water service. For example, rural areas may rely more heavily on well water and septic systems, which constrains housing development due to lack of sufficient infrastructure. For the methodology; however, the transit factor allocates housing units based on each jurisdiction's share of regional R&R stations as well as major transit stops. R&R stations are located in the region's more developed areas where land uses generate enough ridership to support the investment to the transit infrastructure. Major transit stops are also located in the region's urbanized areas and surrounded by land uses that support higher service frequencies. By prioritizing transit connectivity, the methodology encourages infill development in urban areas that are likely to have existing capacity for sewer or water service.

- b. *The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.*

The methodology is not constrained by existing zoning ordinances and land use restrictions. Instead the methodology prioritizes transit and jobs, which aligns with several beneficial land use planning principles, such as promoting infill and increasing residential densities. The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities are accounted for in the methodology's jobs and transit factors. When development of housing is promoted near transit and jobs, it allows the jurisdictions to focus on infill development that can occur on underutilized land that can be converted to uses that allow for increased residential density.

The transit factor allocates housing units based on each jurisdiction's share of regional R&R stations as well as major transit stops. R&R stations are located in the region's urbanized areas where land uses generate enough ridership to support the investment to the transit infrastructure. Major transit stops are also located in the region's urbanized areas and surrounded by land uses that support higher service frequencies. By prioritizing transit, the methodology encourages infill development in areas that are suitable for urban development. A transit-focused methodology also promotes increased densities as jurisdictions plan for housing in urban areas already served by high quality transit.



The methodology aligns with the region's priorities for growth. As shown in Figure 5.2, general plans in the San Diego region have focused growth and development in existing urban areas, preserved more land for habitat and open space, and looked to accommodate more housing near transit and key destinations.

- c. *Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to non-agricultural uses.*

General plans for individual jurisdictions may account for constraints to housing development arising from lands preserved or protected from urban development under existing federal or state programs. However, as shown in Figures 5.3 and 5.4, preserved land, farmland, and habitats are primarily in the eastern portion of San Diego County. The methodology focuses housing units in areas with access to transit and jobs, which are located in existing urbanized areas. Therefore, the methodology will not encourage encroachment upon lands preserved or protected under types of federal, state or local programs described above.

- d. *County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts its conversion to non-agricultural uses.*

The County of San Diego General Plan accounts for some constraints to housing development arising from policies to preserve prime agricultural land and incorporates local ballot measure provisions prohibiting or restricting the conversion of agricultural to non-agricultural uses. The methodology allocates housing units based on access to jobs and transit, which are located in existing urbanized areas. Therefore, this constraint is not expected to impact the methodology's capacity to allow for development of additional housing.

Figure 5.2: Priorities for Growth Then and Now

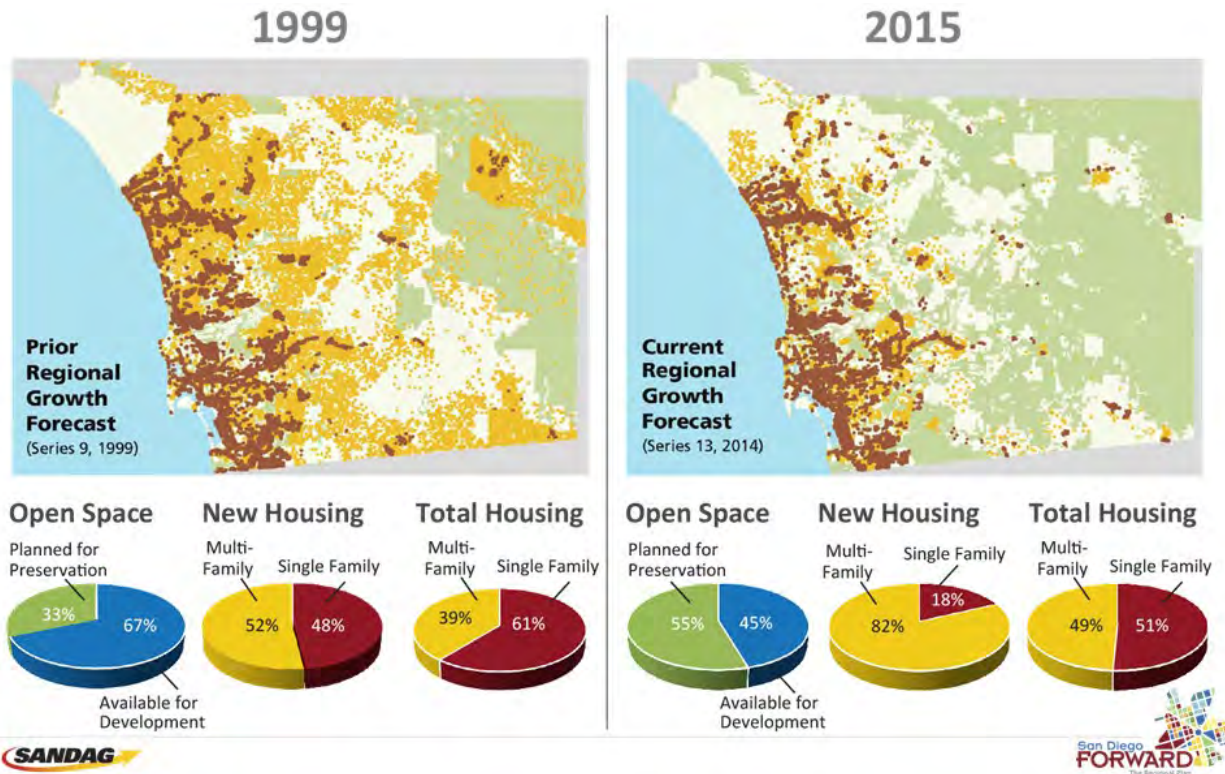


Figure 5.3 San Diego Regional Habitat Preserved Lands

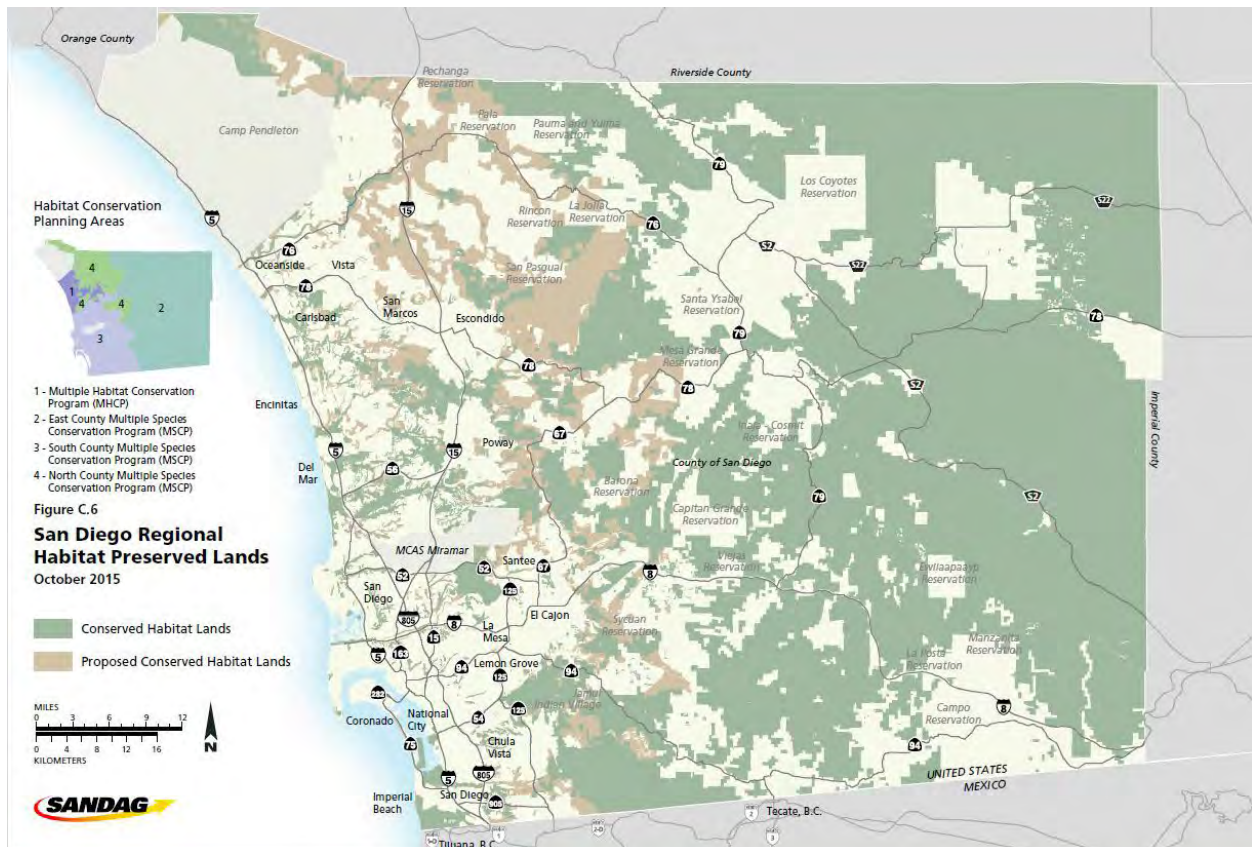
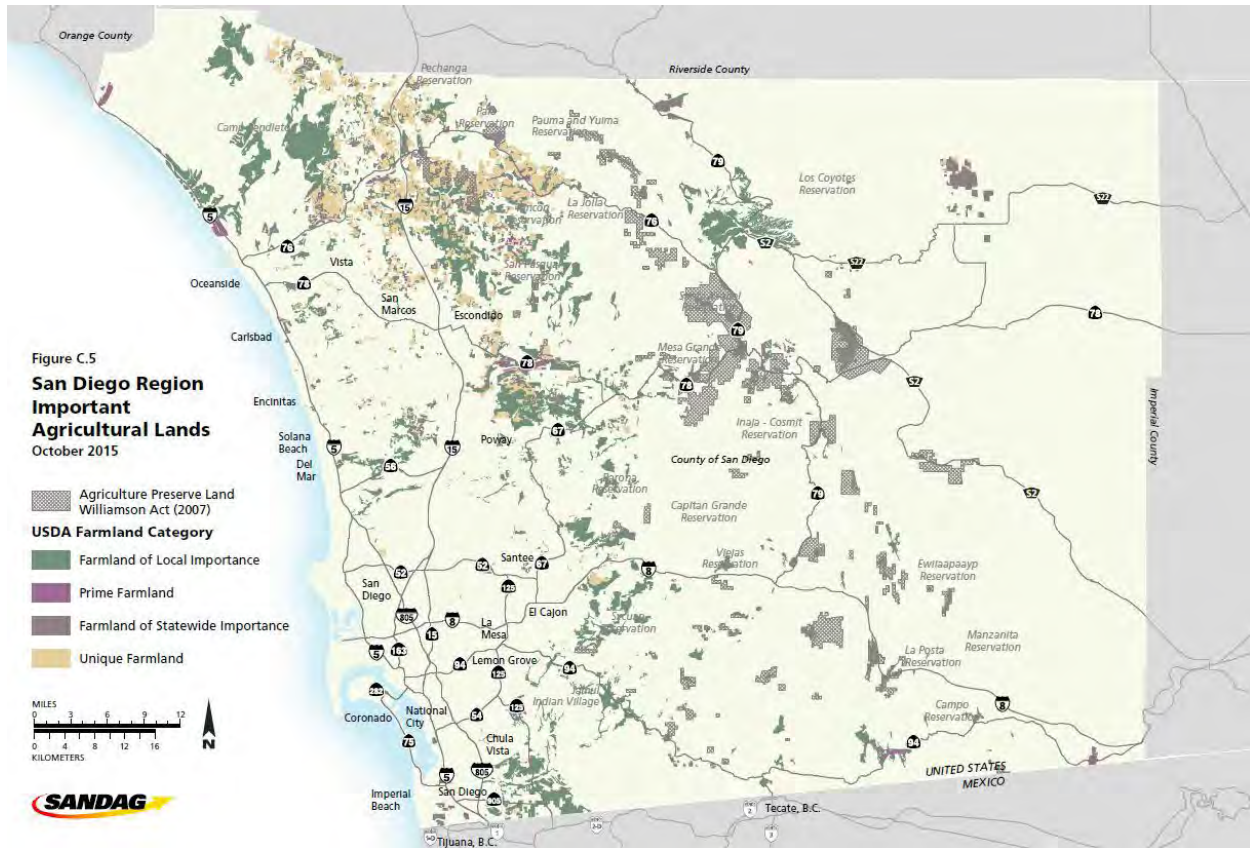


Figure 5.4 San Diego Region Important Agricultural Lands



3. *The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.*

As shown in Figure 5.2, plans for growth are focused on the urbanized areas of the region. The methodology prioritizes transit as a factor – specifically high-quality transit, which is located in the urbanized area. The emphasis on transit allows local jurisdictions that have invested in transit the opportunity to maximize the use of existing transportation infrastructure.

4. *Agreements between a county and cities in a county to direct growth toward incorporated areas of the county, and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to non-agricultural uses.*

Regional planning undertaken by SANDAG and its member agencies during the past 15 to 20 years, has focused the region’s growth in the western third of the region, primarily in its incorporated cities and near transit service (Figure 5.2). SANDAG has funded “smart growth” grants to encourage growth in incorporated areas of the county with sufficient density to support transit-oriented development. Consistent with this, the methodology prioritizes transit and jobs. High-quality transit service and a high concentration of the region’s jobs are located in the urbanized, incorporated areas of the region. Thus, the methodology is consistent with agreements between SANDAG, the County of San Diego, and the cities to develop public transportation infrastructure and supporting land uses away from areas that are zoned or designated for agricultural protection or preservation. Interjurisdictional agreements may account for some development constraints; however, those agreements are not expected to be in conflict with the methodology due to the prioritization of transit and jobs.

5. *The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.*

The data for these units is not readily available and varies by jurisdiction. The loss of assisted housing developments for lower-income households is an issue that would be addressed by the jurisdictions when preparing their housing elements.

6. *The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30% and more than 50% of their income in rent.*

This factor was not included in state law at the time HCD was making its determination on the regional housing need of the San Diego region, and sufficient data for this factor is not readily available. The San Diego region received its largest RHNA Determination this cycle, and it is expected that an influx of housing units in each income category will help alleviate the rent burden in the region.

7. *The rate of overcrowding.*

HCD used the 2012-2016 ACS to determine the rate of overcrowding in the San Diego region when making its RHNA Determination. HCD then compared the San Diego region's overcrowding rate (6.43% of all households) to the national rate (3.34% of all households). To address the needs of overcrowding in the region, HCD's RHNA Determination included an overcrowding adjustment of 3.09%, which added 38,700 housing units to the regional housing need to alleviate overcrowding in the region. Therefore, this factor has already been accounted for in the methodology.

8. *The housing needs of farmworkers.*

The methodology prioritizes jobs as a factor in allocating the regional housing need. Farmworker jobs are included in the data on existing jobs by jurisdiction. Therefore, their housing needs along with the housing needs of all the region's workers are considered.

The methodology increases the supply of affordable housing by allocating each jurisdiction low- and very-low-income housing units. The methodology's Equity Adjustment (see Objective 4) also improves the balance between the number of low-wage jobs, including farming jobs, and the number of housing units affordable to low-wage workers in each jurisdiction by allocating a higher share of low- and very-low-income housing units to jurisdictions that currently have a smaller share of low- and very-low-income households than the regional share. The allocation is expected to provide more low-income housing in every jurisdiction and accordingly would provide farmworkers the ability to live in more areas of the region and commute shorter distances to their seasonal jobs.

9. *The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.*

The major universities and community colleges in the San Diego region are located in urban areas served by the existing transportation network. The City of San Diego is home to San Diego State University; UC San Diego; University of San Diego; Point Loma Nazarene University; various smaller, private universities; and three community colleges: San Diego City College, San Diego Mesa College, and San Diego Miramar College. It also has the greatest share of the region's transportation system in part because of transportation investments near universities and colleges located within its jurisdiction.



Similarly, the cities of Chula Vista (Southwestern Community College), El Cajon (Cuyamaca College), Oceanside (Mira Costa College), and San Marcos (California State University San Marcos and Palomar College) have made transportation investments to improve access to transit near colleges and universities. By prioritizing transit, the methodology encourages housing development near existing transit and the key destinations that transit links, including the region's universities and colleges. The methodology will result in additional housing units being allocated based on transit to assist these jurisdictions address the housing needs of students, faculty, and staff beyond what these colleges or universities may provide.

10. *The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.*

SANDAG conducted stakeholder outreach, including surveying member jurisdictions, beginning in September 2018. Therefore, this factor is not applicable for the development of the methodology for the sixth cycle revision of the housing element.

11. *The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.*

Jurisdictions report demolished units to the DOF on an annual basis. Demolished units include those lost during a state of emergency. Between 2011 and 2018, states of emergency in the San Diego region declared by the Governor pursuant to the California Emergency Services Act, and in which homes were lost, include the following wildfires: the 2014 wildfires (Cocos Fire and Poinsettia Fire), 2017 Lilac Fire, and 2018 West Fire.

HCD analyzed the most recent ten-year average rate of demolition within the San Diego region based on jurisdictions' annual reports to the DOF. The ten-year average rate of demolition in the San Diego region is 0.32% of the total housing stock. The RHNA Determination included HCD's minimum replacement adjustment of 0.5%, which exceeds the region's demolition rate. This adjustment added 6,255 housing units to the RHNA Determination. SANDAG does not have readily available data broken down by jurisdiction to use for this factor and has therefore relied on HCD's data and adjustment to address this factor at a regional level.

12. *The region's GHG emissions targets provided by the ARB pursuant to Section 65080.*

SANDAG's GHG reduction target, as set by the ARB, is to reduce by 15% the region's per capita emissions of GHG from cars and light trucks by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19% per capita. The methodology encourages the development of housing near jobs and transit, which will provide the region's residents with opportunities to live where they work and/or readily access transit, which can facilitate shorter commutes, reduce GHG emissions, and increase trip-taking by transit or alternative modes.

13. *Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.*

No other factors were included in the methodology.

6 What's Next

In order to achieve the benefits of housing near transit and jobs, implementation of the RHNA Plan will be key. To get started, each jurisdiction will update the housing element in its general plan to accommodate the RHNA Plan Allocation. Permitting and constructing more housing units during the housing element cycle will take efforts from all levels of government, housing developers, non-profit organizations, and the public. In coordination with the development of San Diego Forward: The 2021 Regional Plan, SANDAG will embark on developing a housing incentive program, which will support jurisdictions in the development and adoption of policies and process improvements to accelerate housing production. The program will also look for ways to leverage funding from the State of California to provide more housing in the region and meet the goals of the Regional Plan.



Appendix A – Final RHNA Determination

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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July 5, 2018

Kim Kawada
Chief Deputy Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Dear Kim Kawada:

RE: Final Regional Housing Need Determination

This letter provides the San Diego Association of Governments (SANDAG) its Final Regional Housing Need Determination. Pursuant to state housing element law (Government Code (Gov. Code) section 65584, et seq.), the Department of Housing and Community Development (Department) is required to provide the determination of SANDAG's existing and projected housing need.

In assessing SANDAG's regional housing need, the Department and SANDAG staff completed an extensive consultation process from October 2016 through June 2018 covering the Department's methodology, data sources, and timeline for both the Department's Regional Housing Need Determination and SANDAG's Regional Housing Need Allocation (RHNA). The Department also consulted with Walter Schwarm of the California Department of Finance (DOF) Demographic Research Unit.

Attachment 1 displays the minimum regional housing need determination of **171,685** total units among four income categories for SANDAG to distribute among its local governments. Attachment 2 explains the methodology applied pursuant to Gov. Code section 65584.01. In determining SANDAG's housing need, the Department considered all the information specified in state housing law (Gov. Code section 65584.01(c)).

As you know, SANDAG is responsible for adopting a methodology and RHNA Plan for the *projection* period beginning June 2020 and ending April 2029. Within 30 days from the adoption date, SANDAG must submit the RHNA Plan to the Department for approval. Local governments are in turn responsible for updating their housing element for the *planning* period beginning April 2021 and ending April 2029 to accommodate their share of new housing need for each income category.

Pursuant to Gov. Code section 65584(d), the methodology to prepare SANDAG's RHNA plan must be consistent with the following objectives:

- (1) Increasing the housing supply and mix of housing types, tenure, and affordability
- (2) Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns
- (3) Promoting an improved intraregional relationship between jobs and housing
- (4) Balancing disproportionate household income distributions

Pursuant to Gov. Code section 65584.04(d), to the extent data is available, SANDAG should include the factors listed in Gov. Code section 65584.04(d)(1-10) to develop its RHNA plan, and pursuant to Gov. Code section 65584.04(e), SANDAG must explain in writing how each of these factors was incorporated into the RHNA plan methodology.

The Department commends SANDAG for its leadership in fulfilling its important role in advancing the state's housing, transportation, and environmental goals. SANDAG is also recognized for its actions in proactively educating and engaging its board and subcommittees on the RHNA process and the regional housing need, as well as encouraging regional collaboration on best practices around housing and land use. The Department especially thanks Seth Litchney, Coleen Clementson, Carolina Ilic, Rachel Cortes, Dmitry Messen, Muggs Stoll, Daniel Flyte, and Kim Kawada for their significant efforts and assistance. The Department looks forward to its continued partnership with SANDAG and its member jurisdictions and assisting SANDAG in its planning efforts to accommodate the region's share of housing need.

If the Department can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, at (916) 263-7428 or megan.kirkeby@hcd.ca.gov.

Sincerely,



Zachary Olmstead
Deputy Director

Enclosures

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

San Diego County Governments: June 30, 2020 through April 15, 2029

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low*	24.7%	42,332
Low	15.5%	26,627
Moderate	17.3%	29,734
Above-Moderate	42.5%	72,992
Total	100.0%	171,685
* Extremely-Low	13.6%	Included in Very-Low Category

Notes:

Income Distribution:

Income categories are prescribed by California Health and Safety Code (Section 50093, et. seq.). Percents are derived based on Census/ACS reported household income brackets and County median income.

ATTACHMENT 2

HCD REGIONAL HOUSING NEED DETERMINATION: SANDAG June 30, 2020 - April 15, 2029

Methodology

San Diego County: June 30, 2020 – April 15, 2029 (8.8 years) HCD Determined Population, Households, & Housing Unit Need					
1.					3,613,215
2.	Population: April 15, 2029 (DOF June 30, 2029 projection adjusted minus 2.5 months to April 15, 2029)				3,613,215
3.	- Group Quarters Population (DOF June 30, 2029 projection adjusted minus 2.5 months to April 15, 2019)				-118,075
4.	Household (HH) Population				3,495,140
	Household Formation Groups	HCD Adjusted DOF Projected HH Population	DOF HH Formation Rates	HCD Adjusted DOF Projected Households	
		3,495,140			
	under 15 years	648,185	n/a	n/a	
	15 – 24 years	504,775	9.98%	50,356	
	25 – 34 years	402,920	37.25%	150,099	
	35 – 44 years	399,705	46.54%	186,020	
	45 – 54 years	428,715	50.72%	217,455	
	55 – 64 years	388,650	53.69%	208,648	
	65 – 74 years	380,010	57.98%	220,348	
	75 – 84 years	250,550	62.03%	155,414	
	85+	91,630	68.51%	62,775	
5.	Projected Households (Occupied Unit Stock)				1,251,115
6.	+ Vacancy Adjustment (2.52%)				31,500
7.	+ Overcrowding Adjustment (3.09%)				38,700
8.	+ Replacement Adjustment (0.50%)				6,255
9.	- Occupied Units (HHs) estimated January 1, 2020				-1,155,883
6 th	Cycle Regional Housing Need Assessment (RHNA)				171,685

Explanation and Data Sources

1. Projection period: Gov. Code 65588(f) specifies RHNA projection period start is December 31 or June 30, whichever date most closely precedes end of previous RHNA projection period end date. RHNA projection period end date is set to align with planning period end date. The planning period end date is eight years following the Housing Element due date, which is 18 months following the Regional Transportation Plan adoption rounded to the 15th or end of the month.
- 2-5. Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institute, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age groups, to form households at different rates based on Census trends.
6. Vacancy Adjustment: HCD applies a vacancy adjustment (standard 5% maximum to total housing stock) and adjusts the percentage based on the County's current "for rent and sale" vacancy percentage to provide healthy market vacancies to facilitate housing availability and resident mobility. Adjustment is difference between standard 5% vacancy rate and County's current vacancy rate based on the 2012-2016 American Community Survey (ACS) data.
7. Overcrowding Adjustment: In Counties where overcrowding is greater than the U.S. overcrowding rate of 3.34%, HCD applies an adjustment based on the amount the County's overcrowding rate exceeds the U.S. overcrowding rate. Data is from the 2012-2016 ACS.
8. Replacement Adjustment: HCD applies a replacement adjustment between 0.5% and 5% to total housing stock based on the current 10-year annual average percent of demolitions, applied to length of the projection period. Data is from County local government housing survey reports to DOF.
9. Occupied Units: This figure reflects DOF's estimate of occupied units at the start of the January closest to the projection period start date, per DOF E-5 report.

Appendix B – HCD Findings on Draft RHNA Methodology

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 1, 2019

Hasan Ikharta, Executive Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Dear Director Ikharta:

RE: Review of Draft Regional Housing Need Allocation (RHNA) Methodology

Thank you for submitting the draft San Diego Association of Governments (SANDAG) Sixth Cycle Regional Housing Need Allocation (RHNA) Methodology. Pursuant to Government Code Section 65584.04(i), the California Department of Housing and Community Development (HCD) is required to review draft RHNA methodology to determine whether the methodology furthers the statutory objectives described Government Code Section 65584(d).

The draft SANDAG methodology uses jobs and transit to set the overall RHNA number for a city and uses an equity adjustment to adjust for income distribution among the sub-categories of RHNA by income. HCD has completed its review and finds that the draft SANDAG RHNA Methodology furthers the five statutory objectives of RHNA.¹

Below is a brief summary of findings related to each statutory objective described within Government Code Section 65584(d):

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.

HCD's analysis shows that this methodology generally allocates more lower income RHNA in jurisdictions with more single-family homes, which will encourage higher density planning in these jurisdictions and a mix of housing types. Also, in support of the affordability objective, the draft methodology allocates more lower income RHNA in more costly areas of the region.

2. Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The draft allocation furthers the infill and environmental principles of this objective, as the overall allocation is based on the location of jobs and transit access. Particularly relevant to supporting infill development and climate change goals is the fact that this methodology

¹ While HCD finds that this methodology furthers the objectives of RHNA, HCD's determination may change in regards to a different region or cycle, as housing conditions in those circumstances may differ.

(continued from previous page)

does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.

3. Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Overall jobs, rather than low-wage jobs, are included as a factor in the methodology, but further analysis shows that using overall jobs combined with the equity adjustment in the methodology leads to a strong overlap between low-wage jobs and lower income RHNA as a percentage of the region's lower income RHNA.

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 American Community Survey.

This objective is furthered directly by the equity adjustment included in the draft methodology. The SANDAG equity adjustment provides an upward adjustment toward the regional average for jurisdictions that have a lower percentage of households in a given income category compared to the region. While the equity adjustment explicitly responds to objective four, it also assists in the methodology furthering each of the other objectives.

5. Affirmatively furthering fair housing, which means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

To evaluate this objective HCD used the [2019 HCD/TCAC Opportunity Maps](#),² which evaluate access to opportunity, racial segregation, and concentrated poverty on 11 dimensions, which are all evidence-based indicators related to long term life outcomes. The six jurisdictions that would receive the highest percentage of lower income RHNA under this methodology are also the jurisdictions that have no segregated concentrated areas of poverty or lowest resource census tracts, and compared to other jurisdictions in the region have the highest percentage of area in high or highest resource census tracts (76-100% of the jurisdiction). Conversely, the jurisdictions with large amounts of area in low resource census tracts or census tracts that demonstrate high segregation and concentrations of poverty generally receive less lower income RHNA than the regional average.

² Created by the California Fair Housing Task Force and commissioned by HCD and the California Tax Credit Allocation Committee (TCAC) to assist public entities in affirmatively furthering fair housing. The version used in this analysis is the 2019 HCD/TCAC Opportunity Maps available at treasurer.ca.gov/ctcac/opportunity.asp.

HCD appreciates the active role of SANDAG staff in providing data and input throughout the draft methodology development and review period, as well as developing a methodology that is clear and transparent. HCD especially thanks Seth Litchney and Coleen Clementson for their significant efforts and assistance.

Public participation in the development and implementation of the RHNA process is essential to effective housing planning. HCD applauds SANDAG on its efforts to date and the region should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

HCD looks forward to continuing our partnership with SANDAG to assist its member jurisdictions meet and exceed the planning and production of the region's housing need.

Just a few of the support opportunities available for the SANDAG region this cycle include:

- SB 2 Planning Grants and Technical Assistance (Available now, application deadline November 30, 2019, technical assistance available now through June 2021)
- Regional and Local Early Action Planning Grants (25% of Regional funds available now, all other funds available early 2020)
- SB 2 Permanent Local Housing Allocation (Available April – July 2020)

If HCD can provide any additional assistance, or if you, or your staff, have any questions, please contact Megan Kirkeby, Assistant Deputy Director for Fair Housing, megan.kirkeby@hcd.ca.gov.



Megan Kirkeby
Assistant Deputy Director for Fair Housing

Appendix C – SANDAG Resolution No. 2020-13



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Resolution No. 2020-13

A Resolution Adopting the Final Regional Housing Needs Assessment Methodology for the Sixth Housing Element Cycle (2021 – 2029) for the San Diego Region

WHEREAS, California state housing element law requires that the San Diego Association of Governments (SANDAG) adopt a methodology for distributing the existing and projected regional housing need to the local jurisdictions within the San Diego region; and

WHEREAS, the California Department of Housing and Community Development (HCD) is required to consult with SANDAG in determining the existing and projected housing need for the region prior to each housing element cycle; and

WHEREAS, HCD provided SANDAG with a regional housing need number of 171,685 units distributed to four income categories, very-low (24.7%), low (15.5%), moderate (17.3%), and above-moderate (42.5%) for the 6th Housing Element Cycle (2021-2029) (collectively, RHNA Determination); and

WHEREAS, SANDAG with the assistance of the Regional Housing Needs Assessment (RHNA) Subcommittee, which is a subcommittee of the SANDAG Board of Directors, and also with input from the Regional Planning Committee and Regional Planning Technical Working Group, developed a draft methodology based on comparable data available for all affected jurisdictions and accepted planning methodology and allocating the region's housing needs by jurisdiction and distributing the housing need by income category; and

WHEREAS, at its September 14, 2018, meeting, the SANDAG Board of Directors was surveyed to determine each member jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region; and

WHEREAS, on July 26, 2019, the SANDAG Board of Directors released for public comment the Draft 6th Cycle RHNA Methodology, including its underlying data and assumptions, an explanation of how information about local government conditions was used to develop the draft methodology, how each of the factors required by state law were considered, and how the draft methodology furthers the objectives in state law; and

WHEREAS, on September 6, 2019, the SANDAG Board of Directors hosted a public hearing to receive additional oral and written comments on the draft methodology and closed the 42-day public comment period; and

WHEREAS, in considering the public comments received, the SANDAG Board of Directors also authorized at its September 6, 2019 meeting, the transmittal of the Draft 6th Cycle Regional Housing Needs Assessment Methodology to HCD for a 60-day review period; and

WHEREAS, on November 1, 2019, HCD determined that the draft methodology furthers the objectives set forth in state law;

NOW THEREFORE BE IT RESOLVED THAT the SANDAG Board of Directors adopts the following as the final regional housing needs assessment methodology for the sixth housing element cycle (2021 – 2029) for the San Diego region pursuant to state law:

1. Of the total housing units, 65% will be allocated to jurisdictions with access to transit, including rail stations, Rapid transit vehicle stations, and major transit stops. Significant investments in transit have been made throughout the region, and the methodology prioritizes housing growth in those areas with access to transit. Encouraging housing growth near transit can promote infill development (developing vacant or under-used land within existing urban areas that are already largely developed) and preserve open space, as most transit is located in urbanized areas. Improved access to transit also can lower the vehicle miles traveled in a car and reduce greenhouse gas emissions.
2. Within the housing units allocated for jurisdictions with access to transit, 75% of the units will be allocated to jurisdictions with rail stations and Rapid transit vehicle stations and 25% will be allocated to jurisdictions with major transit stops. To ensure future growth is located near transit, the methodology prioritizes 75% of the housing units in areas with rail and Rapid transit vehicle stations. Rail stations and Rapid transit vehicle stations are usually located along fixed routes that require significant capital investment to construct. Unlike bus stops or routes, rail and Rapid stations and routes are not amended or eliminated on a regular basis. The remaining 25% of the housing units will be allocated in jurisdictions with major transit stops. Major transit stops, as defined in state law, have two intersecting bus routes that arrive at 15-minute intervals during peak commute hours.
3. Of the total housing units, 35% will be allocated to jurisdictions based on the total number of jobs in their jurisdiction. Jurisdictions should plan for housing to provide opportunities for more residents to live near their place of employment, promoting infill development, and improving the intraregional relationship between jobs and housing.
4. The methodology further applies an equity adjustment. The RHNA Determination divided the number of housing units needed in the region into four income categories based on the region's current percentages of households in each income category. The equity adjustment includes a calculation of the existing households in each jurisdiction in each income category. To promote equity and fair housing, as well as to meaningfully address patterns of segregation, the methodology will allocate more housing units within each income category to jurisdictions with a percentage of households in that same category that is lower than the regional percentage.

PASSED AND ADOPTED this 22nd day of November 2019.



Chair

Attest:



Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.



June 24, 2020

San Diego Association of Governments (SANDAG)
401 B Street, Suite 800
San Diego, CA 92101

RE: JOINT REQUEST REGARDING REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) DRAFT ALLOCATION APPEALS

Dear Chairperson and Members of the Board:

The Cities of Coronado, Imperial Beach, Lemon Grove, and Solana Beach (collectively “Appealing Cities”) jointly and respectively request that the Board take the following actions with respect to the four appeals filed pursuant to Government Code Section 65584.05 for revisions to the shares of the regional housing need proposed to be allocated under the Regional Housing Needs Assessment (“RHNA”) methodology adopted for the 6th cycle, which appeals are scheduled to be heard on June 26, 2020:

1. **Grant the appeals and reduce the Appealing Cities’ allocations.**

Based on the significant, unforeseen changed circumstances due to the COVID-19 pandemic and for the reasons stated in each of the appeals, the Appealing Cities request that the Board grant all four appeals, to the extent it pertains to the Appealing City. Government Code section 65584.05(f) allows the Board to adjust the allocations to local governments based on the results of the appeals process.

The Appealing Cities submit that given the points raised, it is appropriate to reduce the draft allocations to the four Appealing Cities by the amounts that each has requested in its appeal. In addition to the points made in each Appealing City’s argument, granting these reductions will result in a more equitable distribution of units and yet each of the Appealing Cities will still be allocated a substantially higher number of units than in the last cycle, demonstrating their willingness to support the increased building of housing to meet the regional need.

2. **Decide the appeals by tally vote.**

On February 14, 2020, the Executive Committee adopted policies and procedures related to hearing the RHNA appeals. Over the objections of two cities, the Executive Committee declined to apply the procedural safeguard of a straight majority vote (a tally vote only with no weighted option) in deciding the RHNA appeals. The Board was never presented

with a copy of the objections. See Attachments 1 and 2. Instead, the RHNA hearing procedures were buried in the middle of consent items to “ratify the delegated actions” taken by the “policy advisory committees.” The Board should take a more careful look at the voting procedures in light of the requirements for due process in deciding the appeals.

With respect to voting procedures, Article IV, Section 5(a) of SANDAG’s Bylaws provides that: “After the tally vote of the Board Members is taken, a weighted vote may be called by the Board Members of any two Member Agencies ***unless otherwise required by law.***” (Emphasis added.) Accordingly, where the law requires otherwise, a tally vote only is to be taken.

In the context of deciding the RHNA appeals, which are quasi-judicial proceedings, due process requires that the weighted vote not be employed. All appellants are entitled to a fair hearing with voting procedures that do not create an unacceptable risk of bias nor disenfranchise any jurisdiction’s citizens.

Under Government Code Section 120102.5(f) and its bylaws, policies and procedures governing different voting mechanisms for different contexts can be adopted. The RHNA appeals present a situation in which experience teaches that the probability of bias is too high to be constitutionally tolerable. Due process therefore requires a straight majority vote in deciding the RHNA appeals to minimize the risk of error in such an adjudicatory setting.

3. **Hear, consider and decide the appeals together.**

Each of the appeals raise multiple concerns, many of which are similar, and call for an adjustment to the draft allocations. Many elements of the appeals are interrelated and each member jurisdiction has an interest in the outcome of each appeal. That is why the RHNA statutes require that all appeals be heard at the same time in one public hearing. See Government Code section 65584.05(d). Deciding the appeals alphabetically has the potential to produce inconsistent results. The Board should be consistent in its approach and consider the valid points raised in all the appeals to inform the overall decision. This can only be properly done by considering and deciding all the appeals at the same time.

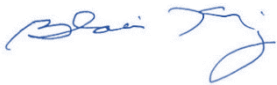
4. **Reduce the total regional allocation by the number of units deducted in the appeals.**

For every regional body other than SANDAG, Government Code Section 65584.05(f) requires that, in deciding appeals to RHNA allocations, those bodies must distribute the entire regional housing need as determined by HCD. But for SANDAG, through AB 1730, the state legislature transformed that into a discretionary action for SANDAG’s determination through Government Code Section 65584.05(j).

Based on the significant, unforeseen changed circumstances of the Department of Finance's (DOF's) population projections reflecting a 6.6% decrease from previous projections through the 6th housing cycle, the Appealing Cities request that SANDAG exercise its discretionary authority granted by AB 1730 to reduce the total regional allocation. According to the accurate DOF population projections, as little as a 3% increase from the 5th cycle (rather than the 6% increase suggested by HCD) is what is actually supported by the accurate DOF population projection data. Further, this projected reduction in the region's estimated housing need was prior to the certain additional impacts to be experienced by the current economic downturn triggered by the COVID-19 crisis which is far from over. The actual reduction should be in an amount sufficient to reduce the allocations to each of the Appealing Cities by the amounts that they have each requested.

Thank you for your consideration. Should you have any questions, please feel free to contact any of the Appealing Cities' Community Development Directors.

Respectfully Submitted,



Blair King, City Manager
City of Coronado



Andy Hall, City Manager
City of Imperial Beach



Lydia Romero, City Manager
City of Lemon Grove



Gregory Wade, City Manager
City of Solana Beach

Attachment 1 – City of Coronado's letter dated February 13, 2020

Attachment 2 – City of Solana Beach's letter dated February 13, 2020

cc: Hasan Ikhata, Executive Director, SANDAG
Councilmembers for the Appealing Cities

Addendum to San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Coronado

On June 19, 2020, the City submitted proposed findings for the Board’s consideration. The City also submitted new arguments in support of its previously submitted appeals and restatements of arguments already made. Government Code Section 65584.05 requires SANDAG to conduct one public hearing to “consider all appeals filed pursuant to subdivision (b),” which must have been submitted “[w]ithin 45 days following receipt of the draft allocation.” The deadline to submit appeals expired in February 2020. While the new arguments raised by the City are untimely, SANDAG endeavors to respond to each in light of the unprecedented challenges posed by the Covid-19 pandemic and to facilitate this important regional conversation around housing. Any issues already raised in the City’s appeal submitted pursuant to Section 65584.05(b) are addressed in the San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Coronado (Final Determination).

I. California Assembly Bill 1730

In October 2019, California Governor Gavin Newsom signed into law Assembly Bill 1730 (AB 1730), which provides for a two-year extension to update the Regional Transportation Plan and Sustainable Communities Strategy for the San Diego region and ensure that San Diego Forward: The 2015 Regional Plan, its Sustainable Communities Strategy, and related environmental analysis remain valid for state compliance, funding eligibility, and other purposes through 2021. AB 1730 also includes a provision allowing SANDAG to continue with the 6th Cycle RHNA process despite the extension to the statutory deadline for the Sustainable Communities Strategy.

Allocating less than the total RHNA Determination is not within SANDAG’s authority. Government Code Section 65584.05(j) states in full:

“The San Diego Association of Governments may follow the process in this section for the draft and final allocation plan for the sixth revision of the housing element ***notwithstanding such actions being carried out before the adoption of an updated regional transportation plan and sustainable communities strategy***” (emphasis added).

The statute does not usurp authority granted to the Department of Housing and Community Development (HCD), it recognizes SANDAG’s

“specialized goal of ***maintaining the schedule for the regional housing needs planning process*** carried out by the local governments in the San Diego region for the sixth cycle and compliance with federal laws, while giving the agency sufficient time to carry out the additional planning efforts and environmental analyses required to meet the increased

State Air Resources Board greenhouse gas emission reduction targets for the region for this and future updates to its regional transportation plan” (Gonzalez AB 1730, Section 6, emphasis added).

In addition, the Senate Floor Analysis for AB 1730 specifically states the new authority granted to SANDAG.

“This bill:

...

8) Authorizes SANDAG to conduct its RHNA allocation process for the sixth housing element cycle prior to adopting an updated RTP and SCS. . .”

(Senate Rules Committee, Third Reading of AB 1730, September 6, 2019). Moreover, there is nothing in the legislative history for AB 1730 that supports the City’s interpretation of Government Code Section 65584.05(j).

As such, state law does not permit a reduction in the existing and projected housing need for the region, as determined by HCD under Section 65584.01, whether resulting from a recalculation due to Covid-19 or the January 2020 release of the Department of Finance population estimates.¹ In fact, pursuant to Section 65584.05(g), HCD is ultimately tasked with determining whether SANDAG’s Final RHNA Plan is consistent with the existing and projected housing need for region and “may revise the determination of the council of governments if necessary to obtain this consistency.”

II. Covid-19 Pandemic as a Significant and Unforeseen Change in Circumstances

Citing the Covid-19 pandemic, the City asserts that changed circumstances merit revisions to data previously relied upon. The City states that it “is now experiencing 24.4% unemployment as of May 2, 2020,” and that “the region’s unemployment rate is now 30.1%”, which is continuing ‘at an all-time high’ according to SANDAG’s most recent employment report.” While SANDAG recognizes that COVID-19 presents an unforeseen change in circumstances and that local governments have been plagued with significant unemployment, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04(b).”

The RHNA statute provides defined timeframes guided by the deadline for the housing element revisions for HCD’s RHNA determination and SANDAG’s Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This “determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available data provided by the COGs at that time. Similarly, the COG surveys its member jurisdictions for

¹ The Final Determination also addresses HCD’s authority over the RHNA process and the Department of Finance population estimates released in January 2020.

information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at the point in time specified by statute, otherwise there would be no finality to the RHNA process and local jurisdictions could not meet the deadline for housing element updates.

Moreover, it is speculative at this time to assume the duration of the impact resulting from the Covid-19 pandemic. The unemployment figures today are already much different from the figures cited by the City. Similarly, the City argues that the Covid-19 pandemic has altered the telework pattern in the region which affects the jobs totals used in the allocation. Again, it is speculative to make assumptions at this point in time about how the Covid-19 pandemic will impact teleworking in the future. Also, as a procedural matter, the City fails to explain how its requested revision would further the intent of the objectives in Section 65584(d), as required by Section 65584.05(b).

III. Conclusion

In addition to the reasons provided for in the Final Determination, and also based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City's supplement to the appeal.

Addendum to San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Imperial Beach

On June 24, 2020, the City submitted a letter with new arguments in support of its previously submitted appeals and restatements of arguments already made. Government Code Section 65584.05 requires SANDAG to conduct one public hearing to “consider all appeals filed pursuant to subdivision (b),” which must have been submitted “[w]ithin 45 days following receipt of the draft allocation.” The deadline to submit appeals expired in February 2020. While the new arguments raised by the City are untimely, SANDAG endeavors to respond to each in light of the unprecedented challenges posed by the Covid-19 pandemic and to facilitate this important regional conversation around housing. Any issues already raised in the City’s appeal submitted pursuant to Section 65584.05(b) are addressed in the San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Imperial Beach (Final Determination).

I. California Assembly Bill 1730

In October 2019, California Governor Gavin Newsom signed into law Assembly Bill 1730 (AB 1730), which provides for a two-year extension to update the Regional Transportation Plan and Sustainable Communities Strategy for the San Diego region and ensure that San Diego Forward: The 2015 Regional Plan, its Sustainable Communities Strategy, and related environmental analysis remain valid for state compliance, funding eligibility, and other purposes through 2021. AB 1730 also includes a provision allowing SANDAG to continue with the 6th Cycle RHNA process despite the extension to the statutory deadline for the Sustainable Communities Strategy.

Allocating less than the total RHNA Determination is not within SANDAG’s authority. Government Code Section 65584.05(j) states in full:

“The San Diego Association of Governments may follow the process in this section for the draft and final allocation plan for the sixth revision of the housing element *notwithstanding such actions being carried out before the adoption of an updated regional transportation plan and sustainable communities strategy*” (emphasis added).

The statute does not usurp authority granted to the Department of Housing and Community Development (HCD), it recognizes SANDAG’s

“specialized goal of *maintaining the schedule for the regional housing needs planning process* carried out by the local governments in the San Diego region for the sixth cycle and compliance with federal laws, while giving the agency sufficient time to carry out the additional planning efforts and environmental analyses required to meet the increased

State Air Resources Board greenhouse gas emission reduction targets for the region for this and future updates to its regional transportation plan” (Gonzalez AB 1730, Section 6, emphasis added).

In addition, the Senate Floor Analysis for AB 1730 specifically states the new authority granted to SANDAG.

“This bill:

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8) Authorizes SANDAG to conduct its RHNA allocation process for the sixth housing element cycle prior to adopting an updated RTP and SCS. . .”

(Senate Rules Committee, Third Reading of AB 1730, September 6, 2019). Moreover, there is nothing in the legislative history for AB 1730 that supports the City’s interpretation of Government Code Section 65584.05(j).

As such, state law does not permit a reduction in the existing and projected housing need for the region, as determined by HCD under Section 65584.01, whether resulting from a recalculation due to Covid-19 or the January 2020 release of the Department of Finance population estimates.¹ In fact, pursuant to Section 65584.05(g), HCD is ultimately tasked with determining whether SANDAG’s Final RHNA Plan is consistent with the existing and projected housing need for region and “may revise the determination of the council of governments if necessary to obtain this consistency.”

II. Covid-19 Pandemic as a Significant and Unforeseen Change in Circumstances

Citing the Covid-19 pandemic, the City asserts that changed circumstances merit revisions to data previously relied upon. While SANDAG recognizes that COVID-19 presents an unforeseen change in circumstances and that local governments have been plagued with significant unemployment, these facts, as presented by the City, do not “merit a revision of the information submitted pursuant to subdivision (b) of Section 65584.04(b).”

The RHNA statute provides defined timeframes guided by the deadline for the housing element revisions for HCD’s RHNA determination and SANDAG’s Final RHNA Allocation Plan. HCD, in consultation with each council of governments (COG), shall determine each region’s existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. Govt. Code § 65584(b). This “determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” Govt. Code § 65584.01(b). HCD begins the process 26 months prior to the scheduled revision so the data HCD relies on is the available data provided by the COGs at that time. Similarly, the COG surveys its member jurisdictions for information to develop the RHNA allocation methodology up to 30 months prior to the scheduled revision. By necessity, the data used for these processes is data available at the point in time specified by

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statute, otherwise there would be no finality to the RHNA process and local jurisdictions could not meet the deadline for housing element updates.

Moreover, it is speculative at this time to assume the duration of the impact resulting from the Covid-19 pandemic. The unemployment figures today are already much different from the figures in early June 2020. Also, as a procedural matter, the City fails to explain how its requested revision would further the intent of the objectives in Section 65584(d), as required by Section 65584.05(b).

III. Conclusion

In addition to the reasons provided for in the Final Determination, and also based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City's supplement to the appeal.

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Addendum to San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Solana Beach

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DRAFT