Regional Housing Needs Assessment Draft Methodology

Overview
On July 5, 2018, the State Department of Housing and Community Development (HCD) determined the San Diego region would need to plan for 171,685 housing units during the 6th Housing Element Cycle (2021-2029).

On December 21, 2018, the Board of Directors formed the Regional Housing Needs Assessment (RHNA) Subcommittee to review and provide input and guidance on potential policy and technical options for developing the RHNA methodology, which is then used for the allocation of housing units to each jurisdiction.

Based upon objectives in state law, the RHNA Subcommittee identified priorities to be used in drafting the RHNA methodology and allocation. This information was shared with the Regional Planning Technical Working Group (TWG), consisting of the planning and community development directors from each jurisdiction in the region and interested housing stakeholders.

At the June 14, 2019, meeting, the RHNA Subcommittee voted to recommend a methodology to the Board of Directors (Attachment 1). At its June 27, 2019, meeting, the TWG recommended the same methodology as the RHNA Subcommittee. Staff has determined that the recommended methodology furthers the five objectives listed in Government Code Section 65584.

Key Considerations
State law requires the SANDAG housing unit methodology further five objectives; however, state law does not dictate how those objectives should be prioritized. The RHNA Subcommittee determined the priorities for the methodology include increasing transit use, improving the jobs and housing relationship, providing an equitable distribution, and reducing greenhouse gas emissions. Attachment 3 summarizes the RHNA Subcommittee’s discussions during each of its meetings. Attachment 4 summarizes TWG and stakeholder meetings held to solicit input on the methodology.

Each objective can be prioritized and adjusted to consider other factors or data sets. The RHNA Subcommittee and TWG discussed several adjustments that could be made to the methodology based on local conditions and priorities, including adjusting the manner in which jobs were counted for each jurisdiction and determining what should qualify as a major transit stop. As described in the June 14, 2019, report to the RHNA Subcommittee, SANDAG staff recommended using the total number of jobs in the methodology. The RHNA Subcommittee included an adjustment to the total number of jobs to account for military jobs housed on base, since those jobs did not require off-base housing in the jurisdiction.

The RHNA Subcommittee members directed staff to focus on a methodology that was transparent and not overly complicated so that it could be easily understood by the public. Due to the Regional Plan’s inclusion of smart growth principles, which call for housing near transit and in urban areas, existing density, available space within each jurisdiction, the cost of land, airport land use regulations, and other limiting factors within each jurisdiction were not identified as priorities warranting an adjustment to the methodology.

Action: Approve
The Regional Housing Needs Assessment (RHNA) Subcommittee recommends that the Board of Directors release the draft RHNA methodology for public review.

Fiscal Impact:
Development of the RHNA Plan is funded through Overall Work Program No. 3102000 in the FY 2019 Program Budget.

Schedule/Scope Impact:
The RHNA methodology and draft allocation is scheduled to be adopted by the Board of Directors in late 2019. Local governments will have until April 2021 to update their housing elements to accommodate the housing unit allocations.

Action: Approve
The Regional Housing Needs Assessment (RHNA) Subcommittee recommends that the Board of Directors release the draft RHNA methodology for public review.
Ultimately, the RHNA Subcommittee and TWG recommended that the following methodology be released for public review.

1. **65 percent of the total housing units should be allocated to jurisdictions with access to transit, including rail stations, Rapid bus stations, and major transit stops.** Significant investments in transit have been made throughout the region, and the RHNA methodology prioritizes housing growth in those areas with access to transit. Encouraging housing growth near transit can help the allocation promote infill development 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 percent of the units should be allocated to jurisdictions with rail stations and Rapid bus stations and 25 percent should be allocated to jurisdictions with major transit stops.** To ensure future growth is located near transit, the methodology prioritizes 75 percent of the housing units in areas with rail and Rapid bus stations. Rail stations and Rapid bus stations usually are 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 regular basis.

   The remaining 25 percent of the housing units would 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. **35 percent of the total housing units should be allocated to jurisdictions based on the total number of jobs in their jurisdiction adjusted to account for military housing on bases.** Jurisdictions should plan for housing to provide opportunities for more residents to live near their place of employment. The RHNA Subcommittee and TWG recommended the number of jobs in each jurisdiction with a military base be reduced to account for military jobs housed directly on a base.

4. **The allocation should apply an equity adjustment.** The HCD's 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. To promote equity and fair housing, the RHNA methodology would allocate more housing units of an income category to jurisdictions with a percentage of households in that category that is lower than the regional percentage.

Following a public hearing and public comment period, the draft RHNA methodology must be sent to HCD for a 60-day review period. If no changes to the methodology are required by HCD, the Board of Directors can adopt the final methodology and release a draft version of the allocation resulting from the methodology for a 45-day appeal period. Attachment 2 shows how the recommended methodology would be used to allocate housing units to each jurisdiction if no changes are made to the methodology between July and final adoption.

**Next Steps**

The Board of Directors is asked to release a draft of the RHNA methodology for public review. A public hearing will be conducted and the draft RHNA methodology will be sent to the HCD for its review following the Board's acceptance of the draft at the end of the public review period.

The Board of Directors will be asked to approve a final RHNA Methodology and draft allocation based upon any comments from the public and HCD. Local governments will have until April 2021 to update their housing elements to accommodate the housing unit allocations.

**Hasan Ikhrata, Executive Director**

Key Staff Contact: Seth Litchney, (619)699-1943, seth.litchney@sandag.org

Attachments:
1. Development Background for the Draft RHNA Methodology
2. Draft RHNA Methodology Recommended by RHNA Subcommittee and TWG
3. Summary of RHNA Subcommittee meetings
4. Summary of Additional Public Meetings Held to Solicit Input on the Draft Methodology
DEVELOPMENT BACKGROUND FOR THE DRAFT RHNA METHODOLOGY

Introduction

State housing element law requires SANDAG to provide a discussion of the Regional Housing Needs Assessment (RHNA) allocation methodology that includes the data and assumptions relied upon, and an explanation of how information about local government conditions and how each of the factors required by law was used to develop the proposed methodology. (See Government Code Section 65584.04.) In addition, SANDAG is required to describe how the draft methodology would further the five objectives in Government Code Section 65584. This document and the other attachments to the SANDAG Board Report concerning RHNA dated July 26, 2019, is intended to provide the information needed for the public to comment on the proposed draft methodology.

Data, Assumptions, and Information on Local Government Conditions

Prior to and during the development of the methodology, the RHNA Subcommittee, which was established by the Board of Directors, the Regional Planning Technical Working Group (including planning directors from each jurisdiction and housing stakeholders), the SANDAG Regional Planning Committee, and the Board of Directors held public meetings to obtain input on the data, assumptions and local condition information that SANDAG should use to develop the draft methodology. At these meetings, stakeholders, staff from the cities and the County of San Diego, and elected officials were asked to help determine the priorities for the methodology, and discuss the data needed to prepare the methodology. The Regional Planning Technical Working Group (TWG) held a workshop to discuss the RHNA objectives and factors in state law. The TWG members provided feedback on relevant data to consider approaches to the methodology. 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. For example, the RHNA Subcommittee members were surveyed to determine which objectives and factors were highest priority for the region, and the draft RHNA methodology was developed based on that data and input. The TWG members provided written comments on the development of the methodology throughout the process.

There was general consensus at the meetings that the approach chosen should keep the allocation methodology simple and easy to explain to the public. 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, however, ultimately were not pursued since the draft methodology was developed with the intent to keep it transparent and understandable.

RHNA Objectives

The RHNA methodology and allocation furthers 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 RHNA 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 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 greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.**

The RHNA methodology prioritizes “proximity to transit” and “proximity to jobs” to encourage efficient development patterns and reduce greenhouse gas (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 jobs. Transit and job centers are located in the urbanized areas of the region. Therefore, an allocation based on the proximity of transit and jobs will lead to more infill development while protecting natural resources and open space. Because infill development does not rely on available space and can occur in areas that already have a dense population, the methodology supports provision of housing even in areas that are currently considered built-out.

SANDAG’s GHG reduction target, as set by the California Air Resources Board, is to reduce the region’s per capita emissions of GHG from cars and light trucks by 15 percent by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19 percent per capita. The RHNA 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 vehicle miles traveled, and increase trip-taking by transit or alternative modes.

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 RHNA methodology allocates 35 percent 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.

The draft RHNA methodology’s Equity Adjustment (see Objective 4) also 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 American Community Survey.**

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 RHNA methodology, SANDAG reviewed the California Tax Credit Allocation Committee (TCAC) 2019 Opportunity Map for the San Diego region. 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 & 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 RHNA 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 RHNA 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.
RHNA Factors

In addition to furthering the objectives outlined above, state law requires that SANDAG consider several factors in the development of the RHNA methodology, to the extent sufficient data is available pertaining to each factor. See Government Code Section 65584.04(e). The RHNA factors and how each were considered in the development of the draft RHNA 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 RHNA methodology prioritizes “proximity to 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 draft RHNA methodology is expected to increase the supply of affordable housing by allocating each jurisdiction low- and very low-income housing units. The draft RHNA 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 draft methodology, however, the “proximity to transit” factor allocates housing units based on each jurisdiction’s share of regional rail and Rapid bus stations as well as major transit stops. Rail and Rapid bus 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 also are 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.
c. 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.

The draft RHNA methodology is not constrained by existing zoning ordinances and land use restrictions. Instead the methodology prioritizes “proximity to transit” and “proximity to 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 due to the methodology’s use of the proximity to jobs and transit factors. When development of housing is promoted near transit and jobs in areas that are already more densely populated and developed than other areas of each jurisdiction, it allows the jurisdictions to focus on infill development that can occur without reliance on the availability of additional land, but instead on underutilized land that can be converted to uses that allow for increased residential density.

The “proximity to transit” factor allocates housing units based on each jurisdiction’s share of regional rail and Rapid bus stations as well as major transit stops. Rail and Rapid bus 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 must plan for housing in urban areas already served by high quality transit.

The RHNA methodology aligns with the region’s priorities for growth. As shown in Figure 3.1, 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.
d. 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. As shown in the figures below though, preserved land, farmland, and habitats are primarily in the eastern portion of San Diego County. The draft RHNA methodology focuses housing units in areas with access to transit and jobs, which are located in the existing urbanized areas. Therefore, the draft methodology will not encourage encroachment upon open space areas.
e. County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated 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 draft RHNA 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.

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 3.1, plans for growth are focused on the urbanized areas of the region. The RHNA methodology prioritizes “proximity to transit” as a factor—specifically high-quality transit, which is located in the urbanized area. The emphasis on proximity to 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 3.1). 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 draft RHNA methodology prioritizes “proximity to transit” and “proximity to 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 draft methodology due to the prioritization of proximity to 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 should 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 percent and more than 50 percent of their income in rent.

This factor was not included in state law at the time the Department of Housing and Community Development (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, however, 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 American Community Survey 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 percent, which added 38,700 housing units to the regional housing need to alleviate overcrowding in the region. Thus, this factor has already been accounted for in the draft methodology.

8. The housing needs of farmworkers.

The draft RHNA methodology prioritizes “proximity to jobs” as a factor in allocating the regional housing need. Farmworkers are included in the data on existing jobs. Therefore, their housing needs along with the housing needs of all the region’s workers are considered.

The draft methodology increases the supply of affordable housing by allocating each jurisdiction low- and very low-income housing units. The RHNA 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. Although the low-income housing needs of farmworkers are unique given their low wages and job locations, the allocation expected from the draft methodology is expected to provide more low-income housing in every jurisdiction and accordingly should 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; 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 (MiraCosta 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 proximity, the draft RHNA methodology encourages housing development near existing transit and the key destinations that transit links, including the region’s universities and colleges. The draft methodology will result in additional housing units being allocated based on proximity to transit. This will help these jurisdictions address the housing needs of students, faculty, and staff beyond what these colleges or universities may provide.

10. 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 Department of Finance 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 Department of Finance. The ten-year average rate of demolition in the San Diego region is 0.32 percent of the total housing stock. The RHNA Determination included HCD’s minimum replacement adjustment of 0.5 percent, 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.

11. The region’s greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

SANDAG’s GHG reduction target, as set by the California Air Resources Board, is to reduce the region’s per capita emissions of GHG from cars and light trucks by 15 percent by 2020, compared with a 2005 baseline. By 2035, the target is to reduce GHG emissions by 19 percent per capita. The RHNA 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.

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.

The presence of a significant number of military jobs in certain jurisdictions was taken in consideration in the development of the draft methodology. Information was sought from representatives of the military branches in the region and the number of on-base housing units provided by the military were taken into account during the development of the methodology. The number of jobs in each jurisdiction with a military base was reduced to account for military jobs housed directly on a base.
### RHNA Calculator Tool

The following information is from page 13 of the document, which includes tables and calculations related to regional housing needs assessment (RHNA) calculations.

#### Step 1: Assign weighting to each variable category

Units to be allocated based on the two priority categories (transit and jobs) is determined by multiplying the RHNA Determination Units (171,685) by the percentages entered into each of the yellow boxes in this step. Note, there is an opportunity to assign weighting to "Transit" subfactors in Step 2 and choose a specific "Job" variable in Step 3.

<table>
<thead>
<tr>
<th>Weighting</th>
<th>Unit</th>
<th>A</th>
<th>B</th>
<th>Total</th>
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<tbody>
<tr>
<td>Transit</td>
<td>Jobs</td>
<td>171,685</td>
<td>66,090</td>
<td>171,685</td>
</tr>
</tbody>
</table>

#### Step 2: Assign weighting to each Transit subfactor

- **Subfactor 1:** Rail & Rapid
  - Select from:
    - High-Frequency Transit Stop (served by at least one local bus with 15 min. peak-period frequency)
    - Major transit stop (served by at least two local buses with 15 min. peak-period frequency)

- **Subfactor 2:** Civilian Jobs (excludes active duty military; includes civilian defense jobs)
  - Select between:
    - Number of Jobs
    - Number of Jobs with a Jobs-Housing adjustment

#### Step 3: Select options for "Jobs" Variable

- **3a. Select between:**
  - (a) Number of Jobs
  - (b) Number of Jobs with a Jobs-Housing adjustment

- **3b. If applicable, assign weighting to jobs subfactors:** If greyed out, skip this step!

- **3c. Select Jobs Dataset:** Select between:
  1. Total jobs
  2. Civilian jobs (excludes active duty military; includes civilian defense jobs)
  3. Total excluding Housed Military (excludes active duty military for which on-base military housing is provided; 1 housing unit = 1 job reduction)

#### Step 4: Equity Adjustment

To avoid an overconcentration of low income households and comply with Government Code 65584 (d), this draft RHNA Allocation Methodology assigns more housing units of an income category to jurisdictions with a share of regional jobs that has an absolute difference from the region's ratio of at least 20%. (See Step 1) by each jurisdiction's share (as a percentage) of the total regional count for each variable and subfactor.

### Attachment 2

Revised July 19, 2019
<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Materials Presented</th>
<th>Comments/Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 8, 2019</td>
<td>• RHNA Subcommittee Charter</td>
<td>• Requested 5th Cycle RHNA Progress</td>
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<td></td>
<td>• RHNA Plan Timeline</td>
<td>• Inquired about the impact of recent state legislation on the RHNA process</td>
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<td></td>
<td>• RHNA Statutory Objectives and Factors</td>
<td>• Requested definitions of housing terms and information on commuting patterns.</td>
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<td>February 22, 2019</td>
<td>• SANDAG 2017 Regional Housing Progress Report</td>
<td>• Requested a list of RHNA Objectives and Factors to prioritize</td>
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<tr>
<td></td>
<td>• 5th Cycle RHNA Progress</td>
<td>• In addition to transit-oriented development, the allocation should assign housing to job-rich areas</td>
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<tr>
<td></td>
<td>• Housing Legislative Update</td>
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<tr>
<td></td>
<td>• SANDAG 2016 Commuting Patterns in the San Diego Region</td>
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<td>• Housing Definitions</td>
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<td></td>
<td>• SANDAG Smart Growth Concept Map</td>
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<tr>
<td>March 22, 2019</td>
<td>• RHNA Subcommittee Survey Results</td>
<td>• Discussed the definitions used for the transit calculation including the rail, Rapid bus, and high frequency transit.</td>
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<td></td>
<td>• Potential RHNA Methodology Framework</td>
<td>• Requested to pursue an allocation methodology based on the potential framework</td>
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<tr>
<td>April 26, 2019</td>
<td>• RHNA Allocation Calculator Tool</td>
<td>• How should accessory dwelling units be considered in the allocation?</td>
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<tr>
<td></td>
<td>• Regional Planning Technical Working Group (TWG) Comments on RHNA Calculator Tool</td>
<td>• Should a jurisdiction size or other constraints be considered in the allocation?</td>
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<td></td>
<td></td>
<td>• Population should not be a factor in the methodology.</td>
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<td>• Transit should receive a higher prioritization to reduce VMT.</td>
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<td>• Allocation should provide 65% of the units to areas with transit and 35% of the units based on jobs in the jurisdiction.</td>
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<tr>
<td>May 24, 2019</td>
<td>• Revised RHNA Allocation Calculator Tool</td>
<td>• Consider military housing as part of the jobs count for each jurisdiction.</td>
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<tr>
<td></td>
<td>• Additional TWG Comments on RHNA Calculator Tool</td>
<td>• Keep the allocation methodology simple and easy to explain</td>
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<td>• Consider the type of job in each jurisdiction.</td>
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<tr>
<td>June 14, 2019</td>
<td>• Staff Recommended RHNA Methodology</td>
<td>• Discussed whether to adjust the jobs total to account for on-base military housing.</td>
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<tr>
<td></td>
<td>• On-Base Military Housing Data</td>
<td>• Discussed transit calculation</td>
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<tr>
<td></td>
<td>• Calculation of Methodology Adjusted for On-Base Military Housing</td>
<td>• Recommended a methodology to the Board of Directors</td>
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</tbody>
</table>
### Summary of Additional Public Meetings Held to Solicit Input on the Draft Methodology

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>September 14, 2018</td>
<td>Board of Directors Asked to Provide Ideas on RHNA Priorities</td>
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<tr>
<td>Regional Planning Committee</td>
<td>October 5, 2018</td>
<td>RHNA Update on Board of Directors RHNA Priorities</td>
</tr>
<tr>
<td>TWG and Housing Stakeholders</td>
<td>October 11, 2018</td>
<td>Board Direction on the RHNA and the Role of the Regional Planning Technical Working Group</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>December 13, 2018</td>
<td>RHNA Workshop</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>January 10, 2019</td>
<td>Update on RHNA Subcommittee, RHNA Work Plan, and Recap of the RHNA Workshop</td>
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<tr>
<td>Regional Planning Committee</td>
<td>February 1, 2019</td>
<td>RHNA Update</td>
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<td>TWG and Housing Stakeholders</td>
<td>February 14, 2019</td>
<td>RHNA Update</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>March 14, 2019</td>
<td>RHNA Methodology Discussion</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>April 3, 2019</td>
<td>RHNA Methodology Workshop</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>May 9, 2019</td>
<td>RHNA Methodology Calculation Tool Amendments Discussion</td>
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<tr>
<td>Board of Directors</td>
<td>May 10, 2019</td>
<td>Update on the RHNA Subcommittee</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>June 6, 2019</td>
<td>Update on RHNA Subcommittee and Discussion on Methodology</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>June 13, 2019</td>
<td>RHNA Update and Discussion on Methodology</td>
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<tr>
<td>TWG and Housing Stakeholders</td>
<td>June 27, 2019</td>
<td>RHNA Methodology Recommendation</td>
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