

CITY COUNCIL

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Reso No. _____ File No. _____

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Agenda Item No.: 17
Date: August 10, 2011

TO: Honorable Mayor and Members of the City Council
FROM: Barbara J. Redlitz, Director of Community Development
SUBJECT: 2013-2020 Housing Element (PHG11-0028)

STAFF RECOMMENDATION:

It is requested that the City Council endorse the Draft 2013-2020 Housing Element including its goals, policies and programs* (available [on-line](#)), and authorize submittal to the State Department of Housing and Community Development (HCD) for a 60-day review and comment period.

*Link: <http://www.escondido.org/Data/Sites/1/pdfs/Housing/DraftHousingElement.pdf>

PLANNING COMMISSION RECOMMENDATION AND SUMMARY:

The Planning Commission held a public workshop to discuss the Draft Housing Element on July 26, 2011 (see staff report). Two members of the public spoke. A representative of the San Diego Housing Federation expressed opposition to SANDAG's proposed Regional Housing Needs Assessment (RHNA) methodology that allocates 1,833 very low- and low-income (target) households to Escondido. She encouraged the city to support alternative "Table 3c" (see Exhibit "AA"), which utilizes a jobs/transportation/housing balance and transit adjustment approach, resulting in an allocation of 1,697 target households for Escondido. Don Greene, president of the Coalition of Escondido Mobile/Manufactured Home Voters Political Action Committee, expressed interest in working with staff to develop criteria that would assist mobilehome park residents in their effort to convert mobilehome parks to ownership. After the workshop an e-mail was received commenting on the Housing Element from Dave Woods (see Exhibit "BB") recommending that all housing projects focus on providing quality features and that residential development in the Urban Core include unique and innovative design features and amenities to foster the "18-hour destination" environment envisioned for the Downtown.

Overall, the Planning Commissioners did not agree with the proposed RHNA allocation and expressed concern with any mandate to provide a specified number of units. All the Commissioners felt that if an allocation of target households must be included, a different methodology should be considered acknowledging Escondido's existing high percentage of target households, the large number of market-rate affordable housing units, and the city's desire to raise the local median income. Commissioner Weber expressed a concern regarding SANDAG's 2050 Regional Growth Forecast indicating that approximately 80% of the projected new housing will be multi-family and only 20% will be single-family units, limiting the range of future housing choices.

The Commissioners asked several questions about the Housing Element and RHNA process and discussed the fact that Escondido already has many multi-family units renting at affordable prices that are not included in the RHNA methodology because they are not deed restricted. In the Planning Commission's review of the proposed Housing Element goals and policies no modifications were recommended.

FISCAL ANALYSIS:

Three contracts were approved by the City Council with the consulting firm Atkins Environmental Inc. to conduct planning technical studies (including the Housing Element), and prepare a Climate Action Plan and Screencheck EIR totaling \$899,302 on December 15, 2010. The City Council approved an additional \$500,000 in the 2011-2012 FY Budget Capital Improvement Program (CIP) Process to complete the EIR, fund the staff Project Manager's salary, and related expenses in anticipation of a public vote for the November 2012 election. No change to the contracts is proposed at this time.

GENERAL PLAN ANALYSIS:

Adoption of the Housing Element is governed by a separate timeline that is tied to the adoption of SANDAG's 2050 Regional Transportation Plan (RTP) and coordinated with HCD's planning period of January 1, 2013, through December 31, 2020. Housing Elements are typically updated on an 8-10 year basis; and must be internally consistent with its jurisdiction's General Plan. Although the Housing Element is being prepared in conjunction with the proposed General Plan, which considers a range of 3,350 – 5,825 additional housing units, the land use assumptions for calculating available sites to meet proposed housing needs are based on the existing General Plan land use map. This approach assures that final certification of the Housing Element by HCD will not be delayed if the updated General Plan is rejected by the voters in 2012. Consequently, the results of the public vote will not jeopardize Housing Element compliance with State requirements, which requires completion no later than April 27, 2013.

According to State planning law, the Housing Element must be consistent with the other General Plan elements. The State Department of Housing and Community Development (HCD) has consecutively certified Escondido's Housing Elements since 1981. Penalties for noncompliance include invalidating a General Plan in its entirety and restricting an agency's land use decision making abilities. If the Housing Element is challenged in court, the court can curtail a local government's ability to approve subdivisions, make zoning changes or issue permits. As an incentive for awarding certain grants, SANDAG has tied Housing Element compliance to the funding of some programs that have benefitted Escondido and other communities in the region.

ENVIRONMENTAL REVIEW:

The Program Environmental Impact Report (EIR) for the General Plan Update will incorporate the Housing Element in its analysis. The EIR is tentatively scheduled for public comment in December 2011.

BACKGROUND / PREVIOUS ACTION:

The Housing Element focuses many policies and programs on addressing the RHNA which identifies the share of future housing units allocated to the San Diego region by HCD during an 11-year planning cycle (2010-2020) for all socio-economic groups. SANDAG collaborates with all jurisdictions in the region to establish an allocation of housing units for each city and the county in the region. The major goal of the RHNA is to assure a "fair share" distribution among cities and counties within the San Diego region, so that every community provides an opportunity for a mix of housing for all economic segments. The housing allocation targets are not building requirements, but are goals for each community to accommodate through appropriate planning policies and land use regulations.

Preliminary RHNA allocations have identified Escondido's share of regional future housing needs to be 4,175 new units for the January 1, 2010 to December 31, 2020 period, including 1,833 units for extremely low to low-income (target) households. The proposed RHNA option would result in Escondido's total lower household income share being 44%, which is significantly higher than the countywide average of 40%. The City Council has directed staff to prepare a letter for the Mayor opposing the proposed SANDAG RHNA allocation and methodology in favor of maintaining a target household allocation that is more closely aligned with the regional average, which would be 1,653 extremely low to low-income housing units for Escondido (see copy of letter in Planning Commission staff report).

The SANDAG Board will consider comments on the Draft RHNA allocation submitted during the public comment period that ended on July 28, 2011. Because the initial review of the Housing Element by HCD is needed now in order to accommodate the General Plan update's schedule for the November 2012 election, the Housing Element incorporates the Draft RHNA allocation of 1,833 target household units with the understanding that the ultimate allocation could be revised lower based on further jurisdictional collaboration and the final SANDAG Board decision at a later date.

NEXT STEPS IN THE PROCESS:

Upon City Council endorsement staff will submit the Draft Housing Element to the California Department of Housing and Community Development (HCD) for a 60-day review and comment period. City staff will then work with HCD to incorporate their comments into the draft document, which will then be reviewed by the City Council and approved by resolution prior to sending it the HCD for certification.

Respectfully submitted,



Barbara J. Redlitz
Director of Community Development



Jay Petrek
Principal Planner

EXHIBIT "AA"

11-Year RHNA (1/1/2010 - 12/31/2020)

	Regional Share Option (Table 1c)	Lower Income Capacity Option (Table 2b)	Lower Income Option with Jobs/Housing Balance and Income Adjustment (Table 3a)	Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)	Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Capacity Adjustment (Table 3d)	20+ du/ac capacity	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	
Carlsbad	1,980	1,605	1,796	2,357	2,170	2,319	1,605
Chula Vista	5,094	5,648	4,586	4,296	4,185	3,955	21,899
Coronado	20	22	16	17	22	20	270
Del Mar	24	12	14	31	33	34	12
El Cajon	2,299	2,549	2,342	2,077	2,415	2,410	13,225
Encinitas	932	1,033	925	940	901	958	1,293
Escondido	1,653	1,833	1,848	1,716	1,997	1,832	2,582
Imperial Beach	100	111	80	70	112	80	1,784
La Mesa	682	756	671	621	865	770	6,498
Lemon Grove	123	136	106	97	98	90	828
National City	738	818	812	695	1,009	928	18,200
Oceanside	2,460	2,727	1,877	1,784	1,593	1,140	4,751
Poway	496	353	463	701	601	608	353
San Diego	34,888	38,680	41,135	38,682	40,467	42,119	158,273
San Marcos	1,656	1,836	1,877	1,774	1,688	1,787	2,931
Santee	1,450	1,608	1,160	1,164	884	634	1,650
Solana Beach	135	150	141	143	129	138	262
Vista	544	603	631	590	640	658	1,731
Unincorporated	8,876	3,670	3,670	6,395	4,641	3,670	3,670
Region	64,150	64,150	64,150	64,150	64,150	64,150	241,817

Notes:

- (a) Very Low + Low Income Units under the Regional Share Option (Table 1c)
- (b) Very Low + Low Income Units under the Lower Income Capacity Option (Table 2b)
- (c) Very Low + Low Income Units under the Lower Income Capacity Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
- (d) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)
- (e) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)
- (f) Very Low + Low Income Units under the Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Capacity Adjustment (Table 3d)
- (g) Estimated Existing Plan Housing Capacity at 20+ du/ac

EXHIBIT "BB"

Jay Petrek

From: Dave Woods
Sent: Wednesday, July 27, 2011 10:33 PM
To: Jay Petrek
Cc: Barbara Redlitz; Charles Grimm; Bill Martin; Kristina Owens
Subject: Re: Housing Element Workshop Staff Report

Hi Jay,

Thank you for speaking to me on the phone late yesterday (Tuesday)! As you may recall, I had wanted to attend the housing element workshop last night but had a scheduling conflict. You had mentioned that I could email my thoughts to you for inclusion in the staff report before Thursday, so I wanted to do so now.

My thoughts on the general plan housing element center around two basic topics that I want to address as briefly as possible:

1) Quality over Quantity

I hold a simple belief that "quality attracts quality." What concerns me about Escondido is that too many of the housing projects approved over the years have not been of the highest quality (in my opinion), and now it's showing in certain neighborhoods. Councilman Gallo stated this belief at a recent council meeting -- I recall him saying something along the lines that there was a period in the city's history about three decades ago that the council seemed to rubber stamp any housing proposal that came through, and that those housing developments were "ugly then, and they're still ugly now."

I have to say, I generally agree with his assessment. As a result, it concerns me to hear that a primary goal of the current housing element is to increase supply and affordability. I'm just one person, but constructively, I would suggest that we already offer many housing options in Escondido, and that our property values are already rather low. Instead of supply and affordability, I would recommend we focus strictly on quality through an emphasis on "value added" and innovation in housing.

What does this mean? A few real examples from Escondido's past: Suburban neighborhoods like the Country Club area or Escondido Hills incorporated quality features like great landscaping, golf courses, walking trails, and/or large lot sizes. Years later, these value-added features have kept property values high, created an ownership culture where more people own than rent, and attracted tenants who truly care about where they live and demonstrate pride of ownership. The same is true in a historic neighborhood like Old Escondido where the timeless architecture and quality craftsmanship create a unique housing environment where people are truly passionate about their homes. People clamor to buy these historic properties when they become available.

Wherever possible, we need to emphasize to future developers that we want them to go the extra mile and build housing projects that will stand the test of time through quality features and construction. The usual beige stucco box done solely for the sake of affordability won't do anymore.

2) The Urban Core

In full disclosure, I'm nearly 30 years old, so I'm a primary target audience for the type of urban / "smart growth" development that has been talked about for years in Escondido's urban core. The problem is, I don't see many projects in our downtown that truly compete with the "smartest" of smart growth and urban living projects from San Diego neighborhoods like Little Italy, North Park, Hillcrest, or Bankers Hill. I toured the City

Square development models here in Escondido when they first opened a few years ago, and my belief is that it simply does not compare to the unique options available in the San Diego neighborhoods I noted above.

To me, what sets the urban housing in those San Diego neighborhoods apart is truly innovative and unique architecture. I would LOVE the opportunity to buy a live/work-style loft condo someday where the top two stories are innovative, non-cookie-cutter floor plans situated above a retail first floor. In fact, that kind of residence would be perfect for our own Grand Avenue, but sadly, I don't think even one such residence exists today on Grand.

I'm a firm believer that if one small and extremely well-done development like this took place on Grand, it would sellout immediately, even in this bad economy, and it would "set the tone" and create strong demand for similar future projects in downtown and elsewhere in Escondido.

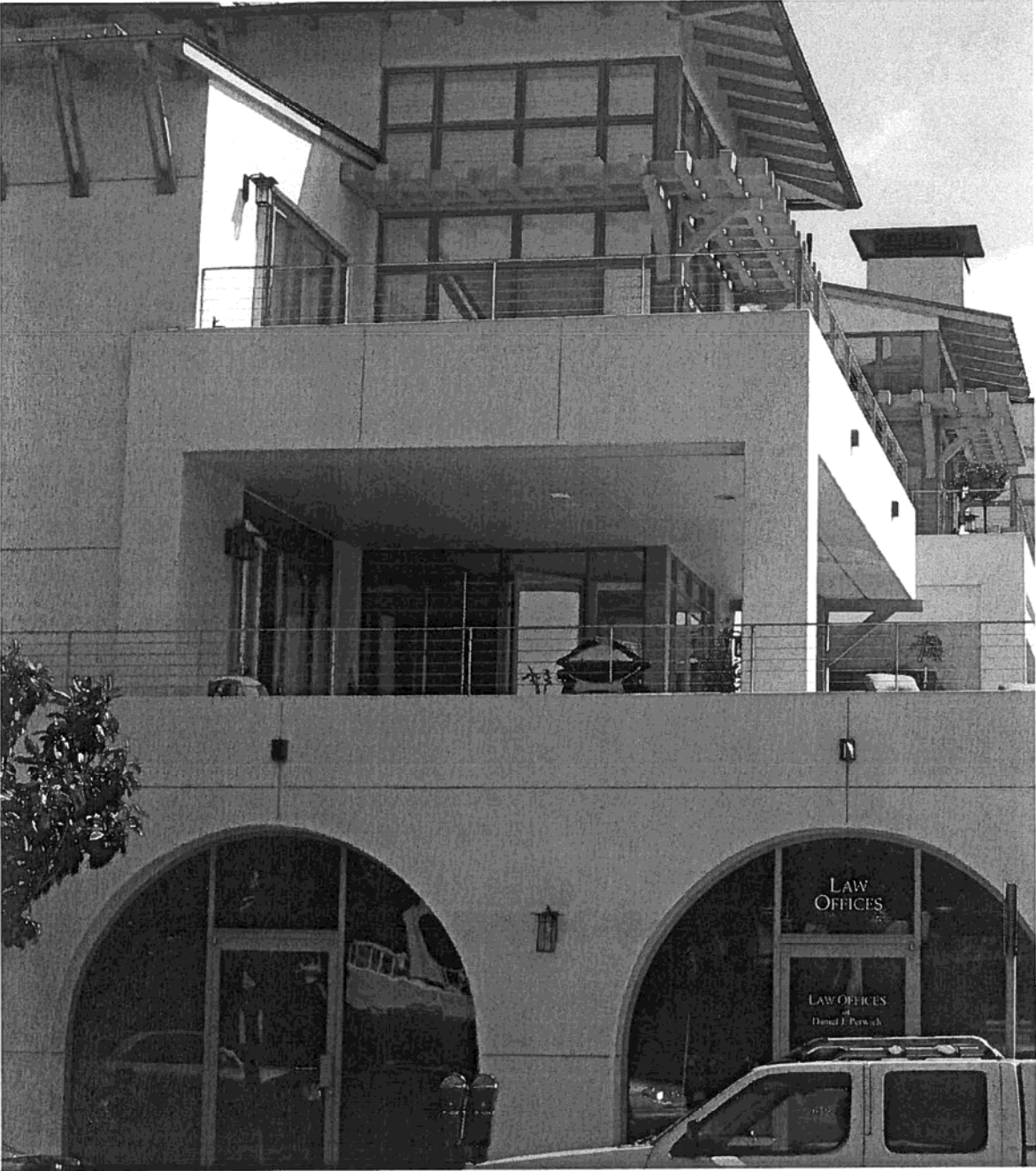
What would this kind of urban living look like? For an example, please see the attached photo I took of an urban development in Coronado. As you can see, it isn't just a big wood-framed box like the apartments now back under construction on the old Paramount project site. These pictures from Coronado show intriguing terraced floor plans without sheer walls that would otherwise make the building feel tall and imposing. Those terraces create interesting patios, and every individual unit has the appearance of being unique.

In my opinion, this type of architecture is an absolute perfect fit for Grand Avenue, and many other areas in Escondido's urban core (and it dovetails with my "quality attracts quality" comments above). I'm not sure if a recommendation this specific is appropriate for the general plan and the housing element, but I wanted to share it anyway as I fear Downtown Escondido will never become the lively "18-hour destination" that has been frequently talked about if we can't get more people living down there, and who clamor to live there because the housing options (and resulting restaurants and other businesses nearby) are so well-done and compelling.

Thanks again for the opportunity to provide input! Please let me know if you have any questions. Take care,

Dave Woods









PLANNING COMMISSION

Agenda Item No.: _____
Date: July 26, 2011

CASE NUMBER: PHG11-0028

PROJECT DESCRIPTION: 2013-2020 Housing Element Update Workshop

Background

The Housing Element is one of seven mandatory "elements" of California General Plans. The document assesses the housing needs of all economic segments of each community and defines the goals and policies that will guide the approach to resolving housing needs through a number of recommended programs. State law describes in detail the necessary contents of housing elements, which are reviewed and certified by the State Department of Housing and Community Development (HCD). The document incorporates the most current data and information readily available at the time of writing, which includes data from the 2000 as well as 2010 Census. The element also includes an evaluation of the current Housing Element* (adopted in 2005 online) by assessing the existing policies, and resources of the public and private sector to accommodate housing needs of the community.

Role of the Housing Element

This Housing Element covers the planning period of January 1, 2013 through December 31, 2020. Proposed housing goals and policies (Exhibit A) will be integrated with the General Plan update currently underway. The element focuses on strategies and programs that conserve and improve existing affordable housing; provide adequate housing sites; assist in the development of affordable housing; remove constraints to housing development; and promote equal housing opportunities. Specific housing programs will be incorporated that that will allow the city to support a wide-range of housing densities and intensities that are well-integrated in the community and convenient to facilities and services.

Public Participation

Public participation is critical to the preparation of the Housing Element. Outreach conducted by the city is intended to reach all segments of the community, including lower and moderate income households and persons with special housing needs. Because the Housing Element has a distinct approval process, separate workshops have been scheduled accordingly. A news release and a public notice were prepared prior to the workshop and advertised on the city's website. Also over 175 e-mails were sent to individuals who have expressed interest in the General Plan Update process.

General Plan Consistency

According to State planning law, the Housing Element must be consistent with the other General Plan elements. While each element is independent, the elements are also interrelated. Certain goals and policies of each element may also address issues that are primary subjects of other elements. This integration throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals.

*link: <http://www.escondido.org/Data/Sites/1/pdfs/Housing/HousingElement.pdf>

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Although the Housing Element is being prepared in conjunction with the proposed General Plan, which considers a range of 3,350 – 5,825 additional housing units, the land use assumptions for calculating available sites to meet proposed housing are based on the *existing* General Plan land use map. This approach assures that final certification of the Housing Element by HCD will not be delayed if the updated General Plan is rejected by the voters in 2012. Consequently, the results of the public vote will not jeopardize Housing Element compliance with State requirements, which requires completion no later than April 27, 2013.

Housing Element Enforcement

The State Department of housing and Community Development has consecutively certified Escondido's Housing Elements since 1981. Enforcement of Housing Elements for non-compliant jurisdictions has been a long-standing issue for the state legislature. Penalties for noncompliance include invalidating a General Plan in its entirety and restricting an agency's land use decision making abilities. If the Housing Element is challenged in court, the court can curtail the local government's ability to approve subdivisions, make zoning changes or issue permits. As an incentive for awarding certain grants, SANDAG has tied Housing Element compliance to the funding of some programs that have benefitted Escondido and other communities in the region.

Regional Housing Needs Assessment (RHNA)

The Housing Element includes consideration of the Regional Housing Needs Assessment (RHNA), which identifies the share of future housing units based on household income levels that have been allocated to the San Diego region by HCD during an 11-year planning cycle (2010-2020) for all socio-economic groups. SANDAG collaborates with all jurisdictions in the region to establish an allocation of housing units for each city and the county in the region. Escondido has actively participated in the RHNA allocation process since SANDAG received the allocation from HCD in 2009. In allocating the region's future housing needs to jurisdictions, SANDAG is required to take the following factors into consideration pursuant to Section 65584 of the State Government Code:

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;
- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.

The RHNA allocates to each city and county a "fair share" of the region's projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the San Diego region, so that every community provides an opportunity for a mix of housing for all economic segments. The housing allocation targets are not building requirements, but are goals for each community to accommodate through appropriate planning policies and land use regulations.

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Allocation targets are intended to assure that adequate sites and zoning are made available to address anticipated housing demand during the planning period. A Draft RHNA was released by the SANDAG Board of Directors on May 27, 2010, for a 60-day public review period that proposes the number of very low, low, moderate and above moderate households (Exhibit B). SANDAG anticipates adopting its Regional Housing Needs Allocation (RHNA) in October 2011.

The City of Escondido's share of regional future housing needs is a total of 4,175 new units for the January 1, 2010 to December 31, 2020 period, including 1,833 units for extremely low to low-income households (see Table 1). As discussed, the city's current General Plan can accommodate this anticipated growth if the Draft RHNA allocation is adopted by SANDAG. The General Plan Update, if approved would further increase housing capacity.

Table 1: Housing Needs for 2013-2020

Income Category	Number of Units	Percent
Extremely Low (30% or less)	460	11.0%
Very Low (31 to 50%)	582	13.9%
Low (51 to 80%)	791	19.0%
Moderate (81% to 120%)	733	17.6%
Above Moderate (Over 120%)	1,609	38.5%
Total	4,175	100.0%

The proposed RHNA option would result in Escondido's total lower income share (target households) being 44%, which is significantly higher than the countywide average of 40%. The City Council has directed staff to prepare a letter for the Mayor opposing the proposed SANDAG RHNA allocation and methodology in favor of maintaining a target household allocation that is more closely aligned with the regional average, which would be 1,653 extremely low to low-income housing units (Exhibit C). SANDAG will accept public comments on the Draft RHNA Methodology and Allocation through July 28, 2011.

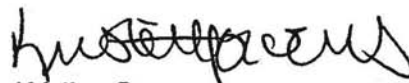
City Council and HCD Consideration

Comments from the workshop, as well as contents of the entire Housing Element containing various programs, will be forwarded to the City Council for consideration on August 10, 2011 at 4:30 p.m. The City Council will provide direction to staff prior to the element's first formal submission to HCD. Any comments from the state would need to be considered by the City Council prior to the City's adoption. Upon adoption by the City the document would be sent back to HCD for certification.

Respectfully submitted,



Jay Petrek
Principal Planner



Kristina Owens
Associate Planner

Planning Commission
Housing Element Workshop
July 26, 2011

EXHIBIT A
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Proposed Housing Goals and Policies

GOAL 1: Plan for Quality, Managed, and Sustainable Growth

Housing Policy 1.1

Expand the stock of affordable housing while preserving the health, safety, and welfare of residents, and maintaining the fiscal stability of the City.

Housing Policy 1.2

Pursue a balance of jobs to housing.

Housing Policy 1.3

Channel residential growth to areas where the concurrent provision of services and facilities, including schools, parks, fire and police protection, and street improvements can be assured.

Housing Policy 1.4

Encourage a compact, efficient urban form that conserves land and other natural and environmental resources, and that promotes transit, supports nearby commercial establishments, and takes advantage of infrastructure improvements installed to accommodate their intended intensities.

Housing Policy 1.5

Encourage creative residential developments and partnerships that result in desirable amenities and contribute to infrastructure needs.

Housing Policy 1.6

Incorporate smart growth principles in new residential subdivisions, multi-family projects, and Mixed Use Overlay areas.

GOAL 2: Provide a Range of Housing Opportunities for All Income Groups and Households with Special Needs

Housing Policy 2.1

Accommodate the regional share of housing for all income groups.

Housing Policy 2.2

Ensure a proper balance of rental and ownership housing units.

Housing Policy 2.3

Increase homeownership in the City through education, availability, and affordability.

Housing Policy 2.4

Apply criteria demonstrating appropriateness for converting mobilehome parks to ownership or alternative uses.

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Housing Policy 2.5

Seek ways to eliminate all forms of discrimination based on race, ancestry, national origin or color, religion, sex, familial or marital status, disability, medical condition, age, sexual orientation, or source of income in obtaining housing.

GOAL 3: Enhance the quality of the City's housing stock and preserve the integrity of neighborhood character

Housing Policy 3.1

Maintain and enhance the existing housing stock as a source of low- and moderate-cost housing and as a conservation measure.

Housing Policy 3.2

Seek ways to eliminate substandard housing through continued enforcement of the Health and Safety Code and the provision of programs which facilitate the maintenance and rehabilitation of housing.

Housing Policy 3.3

Utilize code enforcement measures and incentive programs as necessary to ensure that building and safety regulations are met and to promote property maintenance.

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Planning

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) FACT SHEET



2010 Household Income Limits for a Family of Four

Very Low Income =

0 – 50 percent AMI (\$39,250)

Low Income =

50 – 80 percent AMI (\$62,800)

Moderate Income =

80 – 120 percent AMI
(\$90,600)

Above Moderate Income =

120+ percent AMI

AMI = Area Median Income

AMI for a family of four in 2010
is \$75,500

The San Diego Association of Governments (SANDAG), in consultation with the California Department of Housing and Community Development (HCD), is required by California state law to undertake a Regional Housing Needs Assessment (RHNA) prior to each housing element cycle for the 19 local jurisdictions in the San Diego region -- the 18 cities and County of San Diego. The RHNA process has three main components:

- » RHNA Determination – HCD regionwide housing need determination in four income categories: very low, low, moderate, and above moderate for the housing element cycle;
- » RHNA Plan - SANDAG plan to distribute the RHNA Determination to the local jurisdictions in four income categories; and
- » RHNA Allocation - each jurisdiction's housing need assessment in four income categories for use in updating local housing elements.

The RHNA process for the eight-year, fifth housing element cycle (January 1, 2013 – December 31, 2020) is being conducted in conjunction with the development of the 2050 Regional Transportation Plan (RTP) and its Sustainable Communities Strategy (SCS) in accordance with Senate Bill (SB) 375 (Steinberg).

RHNA/SCS Consistency

SB 375 requires consistency between the RHNA and the development pattern of the SCS. It also requires that the SCS land use pattern, and therefore the RHNA, assist the region in meeting the greenhouse gas (GHG) reduction targets set by the California Air Resources Board (CARB)

RHNA Determination

The overall regionwide housing need for the housing element cycle is based on projections from the California Department of Finance and the SANDAG 2050 Regional Growth Forecast, and on assumptions about the formation rates for new households, vacancy rates, household size, and demolitions, and data from the U.S. Census.

RHNA Methodology and Allocation

The Draft RHNA Methodology and Allocation accepted for distribution and comment by the SANDAG Board of Directors on May 27, 2011, for a 60-day public review, is based on the land use pattern in the 2050 RTP and SCS and the 2050 Regional Growth Forecast, which reflects the region's local general and community plans. These plans indicate that approximately 80 percent of our projected new housing will be multifamily, and 83 percent of our housing in 2050 will be located within a half-mile of high frequency (15 minute headways) transit service. The Draft RHNA Methodology and Allocation distributes housing in accordance with the four RHNA objectives in state law: by reflecting the region's commitment to planning for housing for all income levels in all jurisdictions, balancing jobs and housing, focusing development in our urban areas, and protecting our rural areas, open space, and habitat lands.

RHNA Process and Public Involvement

SANDAG worked with the region's planning directors (Regional Planning Technical Working Group) and Regional Housing Working Group to develop the Draft RHNA Methodology and Allocation to distribute

(Continued on reverse)



401 B Street, Suite 800
San Diego, CA 92101
(619) 699-1900
Fax (619) 699-1905
www.sandag.org

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

Income Categories	%	units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above-Moderate	41.5%	67,220
Total		161,980

the regionwide housing need to the 18 cities and County of San Diego in the four income categories. The development of the Draft RHNA Methodology and Allocation took place over a 12-month period during numerous public meetings conducted by the working groups, Regional Planning Committee, and SANDAG Board of Directors.

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

**Draft RHNA Methodology
 and Allocation***

	RHNA Allocation by Income Category						Estim. Existing Plan Capacity
	11-Year RHNA	Very Low	Low	Moderate	Above Moderate	VL + Low**	20+ du/ac
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899
Coronado	50	13	9	9	19	22	270
Del Mar	61	7	5	15	34	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582
Imperial Beach	254	63	48	45	98	111	1,784
La Mesa	1,722	430	326	302	664	756	6,498
Lemon Grove	309	77	59	54	119	136	828
National City	1,863	465	353	327	718	818	18,200
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751
Poway	1,253	201	152	282	618	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931
Santee	3,660	914	694	642	1,410	1,608	1,650
Solana Beach	340	85	65	59	131	150	262
Vista	1,374	343	260	241	530	603	1,731
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670
11-Year RHNA Totals		36,450	27,700	30,610	67,220	64,150	241,817
		22.5%	17.1%	18.9%	41.5%	39.6%	

*Table 2b. Lower Income Capacity Option. This table excerpted from the May 27, 2011 RHNA Board Report.

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

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Sam Abed
Mayor
201 North Broadway, Escondido, CA 92
Phone: 760-839-4610 Fax: 760-839-467

July 20, 2011

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

Re: Draft RHNA Methodology and Allocation

Dear Ms. Baldwin:

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

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

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

RHNA GOVERNMENT CODE OBJECTIVE:

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

RESPONSE:

During the RHNA process each jurisdiction's percentage of existing Target Households was identified, and the Regional Average was determined to be 40% (Table 4 from May 27, 2011 SANDAG agenda;

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attached). The jurisdictions' existing percentage of Target Households ranges from 21% (Poway) to 61% (National City). Eleven (11) of the 19 jurisdictions in the region currently have a percentage of Target Households at or below the Regional Average. Escondido's existing percentage of Target Households is 44%, which exceeds the Regional Average. The Draft RHNA Methodology allocates 1,833 Target Households to Escondido which exceeds the Regional Average by 180 units. Escondido strongly opposes this allocation methodology and firmly believes allocations should equitably distribute Target Households in a manner that more closely aligns each jurisdiction's percentage of Target Households with the regional average. Under this approach Escondido's equitable Target Household allocation would be 1,653 units.

RHNA GOVERNMENT CODE OBJECTIVES:

- 2) Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources and the encouragement of efficient development patterns.
- 3) Allocate a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared with the most recent decennial United States census.

RESPONSE:

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

RHNA GOVERNMENT CODE OBJECTIVE:

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

RESPONSE:

Escondido currently maintains only 3.4% of its land area for employment purposes based on SANDAG 2009 Employment and Residential Land Inventory. This is less than the regional average of 3.9% and significantly less than all San Diego North County communities which range from 5.1% (Poway) to 22.9% (Carlsbad). This has resulted in a significant out-migration of commuters from Escondido to employment areas in other jurisdictions. The proposed RHNA methodology degrades the intraregional relationship between jobs and housing by allocating a disproportionate share of Target Households to Escondido rather than to jurisdictions that can provide employment opportunities in closer proximity to housing, thus reducing commuting patterns.

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Overall, the Draft Methodology appears to reward more affluent jurisdictions that have adopted General Plans with more restrictive land use designations (i.e. less residential capacity) by allocating them a lower number of Target Household units. The RHNA Fact sheet (Page 2 attached) states that the "allocation proposal is based on estimated existing plan capacity, or regional allocation, whichever is lower in jurisdictions where estimated existing plan capacity is exceeded." Escondido *strongly* opposes this methodology and feels that jurisdictions should not be allocated fewer units simply because their General Plans do not currently accommodate growth. The State Department of Housing and Community Development does not accept this approach in certifying Housing Elements and will require that agencies amend their General Plan to accommodate additional units. The City is willing to accept up to 1,653 Target Household units, which is consistent with the regional average. However, Escondido should *not* be required to accommodate more Target Household units than the regional average simply because other jurisdictions' General Plans currently do not have capacity, or do not choose to amend their General Plan policies to increase capacity.

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

Respectfully Submitted



Sam Abed
Mayor

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

CC: Escondido City Council
Jeffrey Epp, City Attorney
Clay Phillips, City Manager
Charles Grimm, Assistant City Manager
Barbara Redlitz, Director of Community Development

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Table 4. Households by Income and Very Low & Low Income Allocation Percentages for RHNA Options
 11-Year RHNA (1/1/2010 - 12/31/2020)

	Households by Income (2000 Census)	Regional Share Option (Table 1c)	Lower Income Capacity Option (Table 2b)	Lower Income Capacity Option with Jobs/Housing Balance Adjustment (Table 2c)	Regional Share Option with Jobs/Housing Balance and Income Adjustment (Table 3a)	Regional Share Option with Jobs/Housing Balance, Income, and Transit Adjustment (Table 3c)	Regional Share Option with Jobs/Housing Balance, Income, Transit and Unincorporated Area Capacity Adjustment (Table 3d)
	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low	VL + Low
	(e)	(b)	(c)	(d)	(e)	(f)	(g)
Carlsbad	27%	40%	32%	36%	47%	43%	46%
Chula Vista	42%	40%	44%	36%	33%	33%	31%
Coronado	25%	40%	44%	32%	34%	44%	40%
Del Mar	25%	40%	20%	23%	51%	54%	56%
El Cajon	53%	40%	44%	40%	36%	42%	42%
Encinitas	27%	40%	44%	39%	40%	38%	41%
Escondido	44%	40%	44%	44%	41%	41%	44%
Imperial Beach	52%	40%	44%	31%	28%	44%	31%
La Mesa	44%	40%	44%	39%	36%	50%	45%
Lemon Grove	47%	40%	44%	34%	31%	32%	29%
National City	61%	40%	44%	44%	37%	54%	50%
Oceanside	40%	40%	44%	44%	29%	26%	18%
Poway	21%	40%	28%	37%	56%	48%	49%
San Diego	41%	40%	44%	47%	44%	46%	48%
San Marcos	40%	40%	44%	45%	42%	40%	43%
Santee	32%	40%	44%	32%	32%	24%	17%
Solana Beach	27%	40%	44%	41%	42%	38%	41%
Vista	42%	40%	44%	46%	43%	47%	48%
Unincorporated Region	34%	40%	16%	16%	23%	21%	16%
	40%	40%	40%	40%	40%	40%	40%

Notes:

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

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

Income Categories	%	units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above-Moderate	41.5%	67,220
Total		161,980

the regionwide housing need to the 18 cities and County of San Diego in the four income categories. The development of the Draft RHNA Methodology and Allocation took place over a 12-month period during numerous public meetings conducted by the working groups, Regional Planning Committee, and SANDAG Board of Directors.

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

**Draft RHNA Methodology
 and Allocation***

	RHNA Allocation by Income Category						Estim. Existing Plan Capacity
	11-Year RHNA	Very Low	Low	Moderate	Above Moderate	VL + Low**	20+ du/ac
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899
Coronado	50	13	9	9	19	22	270
Del Mar	61	7	5	15	34	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582
Imperial Beach	254	63	48	45	98	111	1,784
La Mesa	1,722	430	326	302	664	756	6,498
Lemon Grove	309	77	59	54	119	136	828
National City	1,863	465	353	327	718	818	18,200
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751
Poway	1,253	201	152	282	618	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931
Santee	3,660	914	694	642	1,410	1,608	1,650
Solana Beach	340	85	65	59	131	150	262
Vista	1,374	343	260	241	530	603	1,731
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670
11-Year RHNA Totals		36,450	27,700	30,610	67,220	64,150	241,817
		22.5%	17.1%	18.9%	41.5%	39.6%	

*Table 2b. Lower Income Capacity Option. This table excerpted from the May 27, 2011 RHNA Board Report.

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

HOUSING ELEMENT UPDATE POLICY COMPARISON		
EXISTING HOUSING ELEMENT POLICY	PROPOSED HOUSING ELEMENT POLICY	COMMENT
<p>a. To expand the stock of affordable housing while preserving the health, safety, and welfare of residents, and maintaining the fiscal stability of the City.</p>	<p>1.1 Expand the stock of affordable housing while preserving the health, safety, and welfare of residents, and maintaining the fiscal stability of the City.</p>	
<p>b. Accommodate the regional share of housing for all income groups and the affordable housing goal for lower income households that require assistance.</p>	<p>2.1 Accommodate the regional share of housing for all income groups.</p>	
<p>c. Maintain the existing housing stock as a source of low- and moderate-cost housing and as a conservation measure.</p>	<p>3.1 Maintain and enhance the existing housing stock as a source of low- and moderate-cost housing and as a conservation measure.</p>	
<p>d. Increase homeownership in the City through education, accessibility and affordability.</p>	<p>2.3 Increase homeownership in the City through education, availability, and affordability.</p>	
<p>e. Ensure a proper balance of rental and ownership housing units.</p>	<p>2.2 Ensure a proper balance of rental and ownership housing units.</p>	
<p>f. Permit residential growth only within limits which allow the concurrent provision of services and facilities, including schools, parks, fire and police protection, and street improvements.</p>	<p>1.3 Channel residential growth to areas where the concurrent provision of services and facilities, including schools, parks, fire and police protection, and street improvements can be assured.</p>	
<p>g. Encourage a compact, efficient urban form which conserves land and other natural and environmental resources and which respects natural topography, drainage patterns and community character.</p>	<p>1.4 Encourage a compact, efficient urban form that conserves land and other natural and environmental resources, and that promotes transit, supports nearby commercial establishments, and takes advantage of infrastructure improvements installed to accommodate their intended intensities.</p>	
	<p>1.6 Incorporate smart growth principles in new residential subdivisions, multi-family projects, and</p>	

HOUSING ELEMENT UPDATE POLICY COMPARISON		COMMENT
EXISTING HOUSING ELEMENT POLICY	PROPOSED HOUSING ELEMENT POLICY	
<p>h. Seek ways to eliminate all forms of discrimination based on race, ancestry, national origin or color, religion, sex, familial or marital status, disability, age, sexual orientation, or source of income in obtaining housing.</p>	<p>Mixed Use Overlay areas.</p>	
<p>i. Encourage creative residential developments and partnerships that result in desirable amenities and contribute to infrastructure needs.</p>	<p>2.5 Seek ways to eliminate all forms of discrimination based on race, ancestry, national origin or color, religion, sex, familial or marital status, disability, medical condition, age, sexual orientation, or source of income in obtaining housing.</p>	
<p>j. Expand the stock of housing for moderate- and above-moderate-income households by providing development incentives in single-family and multi-family zones and in the urban core.</p>	<p>1.5 Encourage creative residential developments and partnerships that result in desirable amenities and contribute to infrastructure needs.</p>	
<p>k. Seek ways to eliminate substandard housing through continued enforcement of the Health and Safety Code and the provision of programs which facilitate the maintenance and rehabilitation of housing.</p>	<p>3.2 Seek ways to eliminate substandard housing through continued enforcement of the Health and Safety Code and the provision of programs which facilitate the maintenance and rehabilitation of housing.</p>	
<p>l. Pursue the proper balance of jobs to housing as recommended by the Department of Finance.</p>	<p>1.2 Pursue a balance of jobs to housing</p>	
	<p>2.4 Apply criteria demonstrating appropriateness for converting mobilehome parks to ownership or alternative uses.</p>	
	<p>3.3 Utilize code enforcement measures and incentive programs as necessary to ensure that building and safety regulations are met and to promote property maintenance.</p>	