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June 18, 2018

File Number 3102000

Mr. Ben Metcalf, Director
 California Department of Housing and Community Development
 2020 West El Camino Avenue
 Sacramento, CA 95833

Dear Mr. Metcalf:

SUBJECT: Draft Regional Housing Needs Assessment Determination for the San Diego Region

On June 8, 2018, the San Diego Association of Governments (SANDAG) Board of Directors voted to submit this letter of comment accepting the Draft Regional Housing Needs Assessment (RHNA) Determination for the sixth Housing Element Cycle (enclosed) without requesting modifications to the methodology.

SANDAG recognizes that the San Diego region and California are facing a severe housing crisis and that a lack of housing production has led to higher rents and housing costs – affecting our residents, business community, and quality of life. Several efforts are under way at the local and regional level to increase the supply of housing. For example, local governments in the region have acted to streamline permitting requirements, and SANDAG’s smart growth and active transportation grant programs help incentivize and support housing production in the region.

In their deliberations on RHNA, SANDAG Board members affirmed the critical need for housing and recognized that it will take concerted efforts by the State of California, local governments, and other stakeholders to address the current housing crisis. The State should help support housing production in the following ways:

- Support and incentivize local efforts to plan for and build more housing rather than limit or modify land use authority now exercised by local jurisdictions
- Ensure stable, continuing state funding to construct affordable housing in all communities as well as to ensure transportation infrastructure/service improvements are provided to support new housing development
- Work with local governments on meaningful California Environmental Quality Act (CEQA) reforms that would discourage the use of CEQA as a tool to oppose/prevent infill and smart growth housing development

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We appreciate the opportunity to consult with the Department of Housing and Community Development and look forward to working with you to support the implementation of the RHNA process.

Sincerely,



KIM KAWADA
Chief Deputy Executive Director

KKA/CCL/nye

Enclosure

ATTACHMENT 1

HCD REGIONAL HOUSING NEED DETERMINATION

San Diego County Governments: June 30, 2020 through April 15, 2029

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	24.7%	42,332
Low	15.5%	26,627
Moderate	17.3%	29,734
Above-Moderate	42.5%	72,992
Total	100.0%	171,685

* Extremely-Low 13.6% included in Very-Low Category

Income Distribution: Income categories are prescribed by California Health and Safety Code (Section 50093, et.seq.).

Percents are derived based on Census/ACS reported household income brackets and county median income.

San Diego County: June 30 2020-April 15 2029 (8.8 years) HCD Determined Population, Households, & Housing Unit Need				
1	Population: April 15, 2029 (DOF June 30, 2029 projection adjusted - 2.5 months to April 15 2029)			3,613,215
2	- Group Quarters Population (DOF June 30 2029 projection adjusted -2.5 months to April 15 2029)			-118,075
3	Household (HH) Population			3,495,140
	Household Formation Groups	HCD Adjusted DOF Projected HH Population	DOF HH Formation Rates	HCD Adjusted DOF Projected Households
		3,495,140		1,251,115
	under 15 years	648,185	n/a	n/a
	15 - 24 years	504,775	9.98%	50,356
	25 - 34 years	402,920	37.25%	150,099
	35 - 44 years	399,705	46.54%	186,020
	45 - 54 years	428,715	50.72%	217,455
	55 - 64 years	388,650	53.69%	208,648
	65 -74 years	380,010	57.98%	220,348
	75 - 84 years	250,550	62.03%	155,414
	85+	91,630	68.51%	62,775
4	Projected Households (Occupied Unit Stock)			1,251,115
5	+ Vacancy (Maximum Standard 5% vs County ACS 2012-2016 %)	5.00%	2.48%	31,500
6	+ Overcrowding (US avg % vs. County 2012-2016 ACS %)	3.34%	6.43%	38,700
7	+ Replacement Adj (.5% min, 5% max, vs. % DOF Demolitions 10 year average)	.5 - 5%	0.32%	6,255
8	- Occupied Units (HHs) estimated January 1 2020			-1,155,883
	6th Cycle Regional Housing Need Assessment (RHNA)			171,685

1-4] Population, Group Quarters, Household Population, & Projected Households: Pursuant to Government Code Section 65584.01, projections were extrapolated from Department of Finance (DOF) projections. Population reflects total persons. Group Quarter Population reflects persons in a dormitory, group home, institution, military, etc. that do not require residential housing. Household Population reflects persons requiring residential housing. Projected Households reflect the propensity of persons, by age-groups, to form households at different rates based on Census trends.

5] Vacancy Adjustment: HCD applies a vacancy adjustment (standard 5% maximum to total housing stock) and adjusts the maximum % based on the county's current "for rent and sale" vacancy % to provide healthy market vacancies to facilitate housing availability and resident mobility. Adjustment is difference between standard 5% and County's current vacancy rate based on the 2012-2016 ACS data.

6] Overcrowding adjustment: In Counties where overcrowding is greater than the U.S overcrowding rate of 3.34%, HCD applies an adjustment based on the amount the County's overcrowding rate exceeds the U.S. overcrowding rate. Data is from 2012-2016 ACS.

7] Replacement Adjustment: HCD applies a replacement adjustment between .5% & 5% to total housing stock based on the current 10-year average % of demolitions county local government annual reports to Department of Finance.

8] Occupied Units: This figure reflects DOF's estimate of occupied units at the start of January closest to projection period start, per DOF E-5 report.

**Determination of County's Number/Percentage of Households By Income Category
Census ACS (5 yr 2016)**

San Diego

County Median Household Income: **\$66,529**

Income Limits in Each Category:

Percent of Median	Minimum	Maximum
30% Extremely Low	-	\$ 19,959
50% Very Low	\$ 19,960	\$ 33,259
80% Low	\$ 33,260	\$ 53,219
120% Moderate	\$ 53,220	\$ 79,829
Above Moderate	\$ 79,830	no limit

Households in Bracket	Income Brackets		Extremely Low	carryover	Very Low	carryover	Low	carryover	Moderate	carryover	Above Moderate
61,158	\$ -	\$ 9,999	61,158								
44,613	\$ 10,000	\$ 14,999	44,613								
89,665	\$ 15,000	\$ 24,999	44,469	45,196	45,196						
92,689	\$ 25,000	\$ 34,999	-	-	76,560	16,129	16,129				
130,767	\$ 35,000	\$ 49,999	-	-	-	-	130,767				
187,872	\$ 50,000	\$ 74,999	-	-	-	-	24,191	163,681	163,681		
141,686	\$ 75,000	\$ 99,999	-	-	-	-	-	27,369	114,317	114,317	
180,481	\$ 100,000	\$ 149,999	-	-	-	-	-	-	-	180,481	
84,607	\$ 150,000	\$ 199,999	-	-	-	-	-	-	-	-	84,607
89,590	\$ 200,000	\$ -	-	-	-	-	-	-	-	-	89,590
Households			150,240		271,996		171,088		191,050		468,995
			13.62%		24.7%		15.5%		17.3%		42.5%

(Extremely Low included with Very Low)

Note: "carryover" column reflects calculation of households (ratio) counted in next income group. Group Income is calculated by multiplying county median income against percentage (50%/80%/120%) representing income category

Source: ACS Table DP03 (ACS, 5 yr 2012-2016)

http://factfinder2.census.gov/bkmk/table/1.0/en/ACS/16_5YR/DP03/0600000US3400728740

Total	1,103,128
Less than \$10,000	61,158
\$10,000 to \$14,999	44,613
\$15,000 to \$24,999	89,665
\$25,000 to \$34,999	92,689
\$35,000 to \$49,999	130,767
\$50,000 to \$74,999	187,872
\$75,000 to \$99,999	141,686
\$100,000 to \$149,999	180,481
\$150,000 to \$199,999	84,607
\$200,000 or more	89,590
Median income (dollars)	\$66,529
1,103,128	totals agree
100.0%	