CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY

AGENDA

Joint SPECIAL Meeting

Wednesday, January 8, 2020 * 7:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a Records Request.

PUBLIC MEETING ACCESS

The Regular Meetings of the City Council are scheduled for the 2nd and 4th Wednesdays and are broadcast live on Cox Communications-Channel 19, Spectrum(Time Warner)-Channel 24, and AT&T U-verse Channel 99. The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's Public Meetings webpage.

AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is available at City Hall, the Solana Beach Branch Library (157 Stevens Ave.), La Colonia Community Ctr., and online www.cityofsolanabeach.org. Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings. Writings and documents regarding an agenda of an open session meeting, received after the official posting, and distributed to the Council for consideration, will be made available for public viewing at the same time. In addition, items received at least 1 hour 30 minutes prior to the meeting time will be uploaded online with the courtesy agenda posting. Materials submitted for consideration should be forwarded to the City Clerk's department 858-720-2400. The designated location for viewing of hard copies is the City Clerk's office at City Hall during normal business hours.

SPEAKERS

Please submit a speaker slip to the City Clerk prior to the meeting, or the announcement of the Section/Item, to provide public comment. Allotted times for speaking are outlined on the speaker's slip for each agenda section: Oral Communications, Consent, Public Hearings and Staff Reports.

SPECIAL ASSISTANCE NEEDED

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

CITY COUNCILMEMBERS

Jewel Edson, Mayor

Judy Hegenauer, Deputy Mayor | **Kristi Becker,** Councilmember

Kelly Harless, Councilmember | **David A. Zito,** Councilmember

Gregory Wade, City Manager | Johanna Canlas, City Attorney | Angela Ivey, City Clerk

SPEAKERS:
Please submit your speaker slip to the City Clerk prior to the meeting or the announcement of the Item. Allotted times for speaking are outlined on the speaker's slip for Oral Communications, Consent, Public Hearings and Staff Reports.

READING OF ORDINANCES AND RESOLUTIONS:
Pursuant to Solana Beach Municipal Code Section 2.04.460, at the time of introduction or adoption of an ordinance or adoption of a resolution, the same shall not be read in full unless after the reading of the title, further reading is requested by a member of the Council. If any Councilmember so requests, the ordinance or resolution shall be read in full. In the absence of such a request, this section shall constitute a waiver by the council of such reading.

CALL TO ORDER AND ROLL CALL:

FLAG SALUTE:

APPROVAL OF AGENDA:

D. STAFF REPORTS: (D.1.)
Submit speaker slips to the City Clerk.

D.1. 2021-2029 Regional Housing Needs Assessment (RHNA) Allocation Appeal (File 0150-55)**.**

Recommendation: That the City Council

1. Receive report.
2. Ratify the RHNA allocation appeal to SANDAG as submitted on January 3, 2020.

Item D.1. Report (click here)
Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

ADJOURN:

AFFIDAVIT OF POSTING
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO } §
CITY OF SOLANA BEACH

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the January 8, 2020 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on January 6, 2020 at 5:00 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 7:00 p.m., January 8, 2020, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk
City of Solana Beach, CA

STAFF REPORT
CITY OF SOLANA BEACH

TO:	Honorable Mayor and City Councilmembers
FROM:	Gregory Wade, City Manager
MEETING DATE:	January 8, 2020
ORIGINATING DEPT:	Community Development
SUBJECT:	**Receive and Ratify Appeal to SANDAG Regarding RHNA Allocation**

BACKGROUND:

In accordance with Government Code Section 65584.05, the City of Solana Beach (City) submitted the following appeal (Attachment 1) for a revision of the share of the regional housing need allocated to the City and other local governments under the 2021-2029 Regional Housing Needs Assessment (RHNA) methodology adopted by the San Diego Association of Governments (SANDAG) for the 6th cycle. A revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d).

Under the RHNA methodology adopted by the SANDAG Board on November 22, 2019, the City was assigned 875 new units, an increased allocation by almost 260%. The San Diego region's overall RHNA increase was only six percent. The City and any local government or the state's Department of Housing and Community Development (HCD) may appeal SANDAG's draft allocation within 45 days of adoption under state law.

The action before the City Council is to receive and ratify the appeal as submitted to SANDAG on January 3, 2020.

DISCUSSION:

As detailed in the letter to SANDAG, the appeal is based on SANDAG's failure to adequately consider information Solana Beach submitted as required by state law including but not limited to:

COUNCIL ACTION:

_____

_____

- Failure to use independently verifiable jobs data sources that did not allow each jurisdiction to understand how the employment numbers were generated or were they arbitrarily selected;
- Failure to consider geographic and regulatory constraints imposed on the City by the Coastal Act and how the allocation of 875 new residential units to the second smallest jurisdiction which is completely within the coastal zone is in direct conflict with the Coastal Act;
- Failure to consider and modify the RHNA allocation for a small jurisdiction with a train station that services a much broader area;
- Failure to connect its allocation of units based on transit to reduce GHG emissions;
- SANDAG made no effort to evaluate ridership data and failed to consider its own study on the motivating factors (competitive travel times, frequent transit service, and convenient ways to and from transit) in commuter decisions. With an average 2-hour headway and limited peak and off-peak hours of service, the station in Solana Beach does not offer competitive travel times or frequent service. Therefore, it cannot be considered a true commuter station.

In addition, SANDAG's adopted methodology undermines statutory objectives under state law:

- The methodology fails to consider financial viability and availability of land within each jurisdiction. The multiplier used for the equity adjustment for low and very low-income households will not increase supply and mix of housing types, tenure, and affordability;
- The allocation to Solana Beach is inconsistent with state law, specifically the Coastal Act. The Coastal Act deemed residential development as the lowest priority land use and would come at the expense of the protection of coastal resources and the general public's access to and use and enjoyment of the City's coastal beach, bluffs, and lagoons, as well as protections of environmentally sensitive habitats (ESHA) and sweeping public panoramic views of the ocean;
- The methodology fails to create regional balance with the arbitrary percentages assigned to the transit component that did not distinguish rail with 2-hour headway to trolleys with much more frequencies. Frequency of service was inexplicably excluded from the Rail and Rapid (R&R) component.

Based on the reasons outlined above and as detailed in Attachment 1, the City requests SANDAG to modify the allocations for small jurisdictions by 55% and reallocate those units to those jurisdictions whose RHNA allocation was reduced from the 2010 RHNA allocation as supported by Government Code section 65583.2.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

WORKPLAN:

Community Character - Item # 2 – Land Use

OPTIONS:

- Approve Staff recommendation.
- Receive report and/or provide direction / feedback.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council:

1. Receive report.
2. Ratify the RHNA allocation appeal to SANDAG as submitted on January 3, 2020.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.

Gregory Wade, City Manager

Attachments:

1. Appeal dated January 3, 2020 to SANDAG Board

CITY OF SOLANA BEACH www.cityofsolanabeach.org
635 SOUTH HIGHWAY 101 • SOLANA BEACH, CA 92075 • (858) 720-2400 • Fax (858) 720-2455

January 3, 2020

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

SUBJECT: REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY APPEAL

Dear Chairperson and Members of the Board:

The City of Solana Beach (and/or City) submits the following appeal pursuant to Government Code Section 65584.05 for a revision of its share of the regional housing need proposed to be allocated to the City and other local governments under the Regional Housing Needs Assessment (RHNA) methodology adopted for the 6th cycle. This appeal is brought on the grounds that: (A) The San Diego Association of Governments (SANDAG) failed to adequately consider the information submitted pursuant to Government Code Section 65584.04(b); and (B) SANDAG failed to determine the share of the regional housing need in accordance with the information described in Government Code Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed Government Code Section 65584(d).

As explained in further detail below, a revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). In addition, the City's appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy developed pursuant to Government Code Section 65080(b)(2).

A. SANDAG Failed to Adequately Consider the Information Solana Beach Submitted

Government Code Section 65584.04 required SANDAG to include all the statutory factors in that Section to develop the methodology to allocate regional housing needs. SANDAG acknowledged these factors and admitted that it was deliberately choosing to ignore some of them because factors and adjustments for local government conditions "would have

created a complicated formula" and having an oversimplified methodology that was "understandable" was chosen over state law mandatory factors.[1]

In that way, and contrary to the statutory mandate, SANDAG's draft allocation to Solana Beach failed to adequately consider the information that the City submitted related to many of those statutory factors, or that was readily available from other jurisdictions and sources. More specifically:

1. SANDAG failed to adequately consider information submitted related to Section 65584.04(e)(1)

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

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

The City of Solana Beach submitted information and concerns regarding the data SANDAG used in the RHNA methodology. The employment data SANDAG used is inconsistent with data available by and from other jurisdictions to verify its accuracy and is even inconsistent with numbers shared by SANDAG staff. Failure to use independently verifiable jobs data sources and failure to allow each jurisdiction to understand how these numbers were generated or selected was arbitrary and without adequate support in facts.

2. SANDAG failed to adequately consider information submitted related to Government Code Section 65584.04(e)(2)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(2) is:

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

The City of Solana Beach submitted information regarding this statutory factor that was not adequately considered. As described in the City's letter dated August 9, 2019 (see Attachment 1), the City has only six (6) noncontiguous commercial or multi-family parcels in its jurisdictional limits and they total a mere 3.31 acres of vacant, undeveloped land available for development. The City contains an additional eight (8) noncontiguous vacant

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

residential parcels that total 2.74 acres. Accordingly, the average lot size of these fourteen non-contiguous parcels averages 0.43 acres, which is much less than the HCD-preferred one- to ten-acre lot size for housing development. Any other parcels identified for future housing development would require that existing developed properties be demolished to make way for housing development, which HCD and the Legislature has identified as a major constraint.

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

3. SANDAG failed to adequately consider information submitted related to Government Code Section 65584.04(e)(3)

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

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

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

Without any underlying data or basis in fact, SANDAG dismissed public comments regarding the need to consider the broader population and geographic area served by transit stations, including the Solana Beach station, concluding: "SANDAG recognized that mobility hub areas include not just the transit station itself by all those services and

destinations that are accessible within a 5-minute walk, bike or drive...."[2] In truth, transit stations serve a much broader area than a 5-minute travel radius.[3]

The City provided empirical data (2018 NCTD Coaster Survey Analysis and Attachment 1) showing that 40% of passengers travel 10 minutes or less and 42% of the passengers travel 10-20 minutes to Coaster Stations. As an extremely conservative estimate, if the passengers' average travel speed to the Coaster Station was 10 miles per hour (mph), 40% of them travel less than 1. 7 miles, and 42% of the riders travel between 1.7 and 3.3 miles to the Coaster Station. Another 9% of passengers traveled up to 30 minutes meaning that 51% of the passengers travel between 1.7 to 5 miles to get to a Coaster station (also assuming an average speed of 10 mph). This is significant because the Solana Beach train station is within extremely close proximity to four other jurisdictions; the Cities of Del Mar and Encinitas are within 1 mile of the Solana Beach train station and the City and County of San Diego are within 2 miles.

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

4. SANDAG failed to adequately consider information submitted and available related to Government Code Section 65584.04(e)(9)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(9) is:

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

[3] As the County of San Diego pointed out during the discussion of Item 23 at the July 26, 2019 SANDAG Board of Directors Meeting, the County gets credit from the state for transit stations in the Cities of Vista and Escondido when looking at vehicle miles traveled and reducing GHG emissions. https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD072619&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/26/2019

> 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.

Information regarding this statutory factor was readily available, was submitted by various cities and was not adequately considered. Instead of considering the housing needs created by colleges and universities, SANDAG assumed, without any supporting data, that transit would somehow automatically cover the housing needs of campuses. This has no basis in fact and is contrary to readily available data regarding enrollment at colleges and universities and transit ridership. It is also a separate statutory factor that should not have been subsumed and ignored.

5. SANDAG failed to adequately consider information submitted and available related to Government Code Section 65584.04(e)(8)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(8) is:

> The housing needs of farmworkers.

On July 12, 2019, Eric Larson, the Executive Director of the San Diego County Farm Bureau, testified before the SANDAG Board that agriculture creates "$5 billion and 16 to 20,000 jobs depending on the season. The nearly 5,000 farms in the county are located in rural, semi-rural back country areas. These locations mean that farmers and employees will not have access to or benefit from transit in commuting or conducting business."[4] Similar to student housing needs, the increased housing needs of farmworkers was completely ignored in the draft allocation. Information regarding this statutory factor was also readily available and was not considered, despite the requirement that it be included under Government Code Section 65584.04(e)(8). Failure to include additional units for farmworkers is particularly troubling since the County of San Diego has indicated that it has the capacity to absorb additional units and has, in fact, planned for them.

6. SANDAG failed to adequately consider information submitted and available related to Section 65584.04(e)(11)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(11) is:

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[4] Eric Larson testimony on item 5, July 12, 2019 SANDAG Board of Directors Meeting, https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD071219&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/12/2019

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

Information regarding this statutory factor was not adequately considered. SANDAG made a blanket proclamation, without citation to any data or projections, that the region's GHG emissions will be reduced because the "methodology encourages the development of housing near jobs and transit...."[5] SANDAG made no effort to evaluate ridership data. And it failed to take into account that existing density and development constraints may actually prevent housing from being built where it is being allocated.

SANDAG also failed to look at the contrary data. "According to 2010 census data, 86 percent of North County residents...commute by car, [and] just 2.3 percent take transit...."[6] According to SANDAG, only 22% of commuters are even willing to consider public transit as an alternative.[7] In addition, SANDAG has found that the factors that influence the decision to use transit are: 1) competitive travel times, 2) frequent transit service, and 3) convenient ways to and from transit.[8] Nevertheless, frequency of service was excluded from the Rail and Rapid (R&R) component.

At the June 21, 2019, Transportation Committee meeting, and as raised by the City of Solana Beach at the July 26, 2019 SANDAG Board of Directors meeting, MTS reported that the average peak commute trolley frequency ranges from 7 ½ to 15 minutes, that South Bay rapids offer 15 minute-peak service, and both modes offer 30-minute frequencies off peak. With an average 2-hour headway and limited peak and off-peak hours of service, the station in Solana Beach does not offer competitive travel times or frequent service and therefore cannot be reasonably considered a true commuter station. The draft allocation was flawed by failing to consider motivating factors identified by SANDAG in commuter decisions.

If transit is not being used, what is said about GHG emissions is speculative at best. Worse than that, SANDAG made no effort to connect its allocation of the units based on transit to reduce GHG emissions. With all the readily available data regarding GHG reduction targets, it is inexcusable that SANDAG selected percentage allocations without analyzing any studies or considering its own data regarding transit usage.

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[5] SANDAG November 22, 2019 Final 6th Cycle Regional Housing Needs Assessment Methodology, p.19, https://www.sandag.org/uploads/projectid/projectid_189_26874.pdf

[6] 75th Assembly District staff testimony on item 5, July 12, 2019 SANDAG Board of Directors Meeting, https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD071219&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/12/2019

[7] Item No. 9, Regional Planning Technical Working Group, February 14, 2019, p. 25 https://www.sandag.org/uploads/meetingid/meetingid_5068_25318.pdf.

[8] Item No. 9, Regional Planning Technical Working Group, February 14, 2019, p. 24 https://www.sandag.org/uploads/meetingid/meetingid_5068_25318.pdf.

The Draft Allocation Undermines the Statutory Objectives in Government Code Section 65584(d)

Not only did SANDAG fail to determine the share of the regional housing need in accordance with the information described in Government Code Section 65584.04, but, contrary to statutory requirements, the methodology of the draft allocation undermines, rather than furthers, the intent of the objectives listed Government Code Section 65584(d). Pursuant to Government Code Section 65584(d), and as submitted pursuant to Section 65584.04(b), the regional housing needs allocation plan must further all of the statutory objectives. It does not because:

1. SANDAG's Allocation Undermines Section 65584(d)(1)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(1) is:

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

Instead of furthering this statutory objective as required, the draft allocation further undermines it because the methodology fails to consider financial viability and availability of land within each jurisdiction. The multiplier used for the equity adjustment for low and very low-income households will not increase housing supply and mix of housing types, tenure, and affordability. This is also true because cities cannot require affordability mandates on private development beyond what is allowed under State density bonus law.

In addition, financial assistance is severely lacking to assist cities in offsetting development costs if a jurisdiction were to try to encourage increased affordable housing percentages. Cities such as Solana Beach in which projects request funding assistance have greater difficulty competing for funds due to excessive land costs in the Coastal zone making such projects less feasible and competitive for available funding, further undermining our ability to increase affordable housing supply. As a result, the draft allocation will likely decrease the amount of housing development, further exacerbating the availability of housing supply.

2. SANDAG's Allocation Undermines Section 65584(d)(2)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(2) is:

> Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient

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

Instead of furthering this statutory objective as required, the draft allocation undermines it. First, the proposed RHNA allocation is inconsistent with the Coastal Act in that residential development is the lowest priority land use and would likely come at the expense of the protection of coastal resources and the general public's access to and use and enjoyment of the City's coastal beach, bluffs, and lagoons, as well as protections of environmentally sensitive habitat areas (ESHA) and sweeping public panoramic views of the ocean. While SANDAG said that it considered potential zoning changes when making the draft allocation, it is not permitted to consider changes that would require local jurisdictions to violate other state laws, including the Coastal Act. The allocation given to Solana Beach would require the City to do just that; violate the Coastal Act.

Second, the draft allocation fails to promote infill development. Units should be allocated to jurisdictions that are not overly built out, where infill development is possible. By allocating disproportionally high numbers of residential units to cities with the greatest existing densities, like the City of Solana Beach, the proposed allocation will not result in infill development or efficient development patterns. As the City remarked at the SANDAG July 26, 2019 Board of Directors meeting, Solana Beach already has the highest population density of all the north county coastal cities in San Diego County. Solana Beach is built out, park space deficient, and is without any large tracts of freely developable land. By failing to consider the City's inability to absorb the units it was allocated, the allocation is flawed.

3. SANDAG's Allocation Undermines Section 65584(d)(3)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(3) is:

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

Instead of furthering this statutory objective as required, the draft allocation undermines it because the methodology fails to include the number of low-wage jobs in a jurisdiction and compare it to the ratio of low-wage housing.

In addition, while SANDAG took a cursory look at the location of total jobs and total housing, the methodology is completely arbitrary. There was no basis in fact, nor any supportable argument put forward as to why 35% of the units should be allocated based on the total number of jobs. Similarly, there was no analysis, nor justification for why 65% of residential units are proposed to be allocated based on the transit factor. On

September 14, 2018, SANDAG staff advised the Board of Directors: "Focusing housing near transit may not necessarily provide a better balance between housing and job centers."[9] The percentages appear to have been taken out of thin air. There appears to have been no effort whatsoever to create regional balance.

The failure to create regional balance is particularly striking when looking at the arbitrary percentages assigned to the transit component. Without any supporting data, SANDAG has allocated 75% of the transit units to R&R and only 25% to major transit stops. The City continues to advocate that rail stations be considered separately from rapid transit and major transit stops. This percentage split has no rational basis, is not the result of any study and appears to be completely without factual support. Furthermore, the decision to count only major transit stops with a 15-minute peak period frequency or greater and not to count any of the other bus stops throughout the region is both arbitrary and highlights the capriciousness in a 75% allocation to R&R without regard to frequency.

While investments in rail transit may have been appropriate to consider in the past, they do not define the landscape for future planning. In particular, the need to protect and stabilize the bluffs may result in relocating the train inland. Current locations of any transit type cannot be considered permanent at this juncture. And while MTS locations have changed in recent times, all MTS locations should be encouraged to be substantially the same, otherwise it only further discourages consistent ridership.

Accordingly, a better regional balance could be achieved by allocating units in the transit component evenly, including all bus stops and not artificially splitting based on transit type. Supporting and encouraging development around all the existing MTS locations and minimizing changes in MTS locations would also help the region achieve GHG emission targets. Alternatively, a more even split could also result by 50% being allocated to rapid and rail and 50% being allocated to major transit stops.

Because the draft allocation undermines, rather than furthers the statutory objectives discussed above, a revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d).

B. Consistency with Solana Beach's Sustainable Communities Strategy

The development pattern in the applicable sustainable communities strategy (SCS) developed pursuant to Government Code Section 65080(b)(2) provides detailed numerical information about the 2050 Regional Growth Forecast, which shows the projected changes in population, housing, and employment. Based on the projected growth, the SCS land use pattern, including that within the City of Solana Beach,

[9] Staff presentation on item 6, September 14, 2018 SANDAG Board of Directors Meeting, https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD091418&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=9/14/2018

accommodates the estimated number of new homes that will be needed region wide over the next 40 years. Therefore, this appeal is consistent with, and not to the detriment of, the development pattern in the City's SCS because the SCS land use pattern is consistent with the City's existing land use plan.

C. Solana Beach's Request for Modified Allocations

Based on the above, the City of Solana Beach respectfully requests that SANDAG modify the allocations for small jurisdictions and reallocate those units to those jurisdictions whose RHNA allocation was reduced from the 2010 RHNA allocation. The reduction for small jurisdictions by 55% would still increase the small jurisdiction allocations by approximately 122% and would result in the larger jurisdictions, that are far more able to accommodate additional housing units, having a lower overall decrease in their RHNA allocations. This revision is also consistent with Government Code section 65583.2 which differentiates cities with populations of 25,000 or less when stating appropriate densities for low income housing.

The proposed allocations do not consider statutory factors, undermine RHNA objectives and are so flawed that they are doomed to failure. An adjustment to the proposed allocation is absolutely necessary otherwise the region cannot reasonably be expected to achieve actual construction of its RHNA housing allocation and many, if not all, small and possibly medium-sized jurisdictions will be faced with the very real possibility their respective housing elements will not be certified by HCD during the next cycle.

Should you have any questions, please feel free to contact the City's Community Development Director, Joseph Lim, at (858) 720-2434 or by e-mail at jlim@cosb.org.

Respectfully Submitted,

Jewel Edson, Mayor

Judy Hegenauer, Deputy Mayor

Kristi Becker, Councilmember

Kelly Harless, Councilmember

David Zito, Councilmember

Attachment 1 – City of Solana Beach's letter dated August 8, 2019

cc: Hasan Ikharta, Executive Director, SANDAG
Gregory Wade, City Manager, City of Solana Beach

CITY OF SOLANA BEACH www.cityofsolanabeach.org
635 SOUTH HIGHWAY 101 • SOLANA BEACH, CA 92075 • (858) 720-2400 • Fax (858) 720-2455

August 8, 2019

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

RE: SANDAG RHNA Methodology – City of Solana Beach Comments

Dear SANDAG Board of Directors and Staff,

The City of Solana Beach (Solana Beach) appreciates the difficult task that SANDAG must complete as part of the Regional Housing Needs Assessment (RHNA) process. While the proposed RHNA allocation methodology attempts to use good planning principles to identify where housing should be planned for in the future, it fails to consider geographic boundaries, service area of train stations, and jurisdictional size. The City of Solana Beach had previously raised some of these concerns in a letter dated May 16, 2019, however, the methodology remains unchanged.

As you are aware, at approximately 3.4 square miles, Solana Beach is a small jurisdiction. Of the 19 jurisdictions in San Diego County, we are the 2nd smallest jurisdiction in both size and population and the smallest jurisdiction with a train station. While Solana Beach's train station serves the Coaster and Amtrak, the current RHNA methodology fails to recognize that this train station serves a much wider geographic region and a greater commuter population than Solana Beach alone.

In May 2018, a Coaster Survey Analysis (Survey) was conducted for the North County Transit District (NCTD), which included an onboard survey of Coaster passengers. The Survey collected various data, including time traveled to each Coaster Station by passengers and distances traveled by passengers from their respective starting points to the Coaster Station. The Survey found that 62% of Coaster passengers commute via vehicle (42% car, 13% Uber/Lyft/taxi, & 7% carpool/vanpool) to their respective Coaster Station destination.

The Survey also showed that 40% of passengers travel 10 minutes or less and 42% of the passengers travel 10-20 minutes to Coaster Stations. As an extremely conservative estimate, if the passengers' average travel speed to the Coaster Station was 10 miles per hour (mph), 40% of them travel less than 1.7 miles, and 42% of the riders travel between 1.7 and 3.3 miles to the Coaster Station. Another 9% of passengers traveled up to 30 minutes meaning that 51% of the passengers travel between 1.7 to 5 miles to get to a Coaster station (also assuming an average speed of 10 mph). This is significant because the Solana Beach train station is in close proximity to four other jurisdictions; the Cities of

Del Mar and Encinitas are within 1 mile of the train station and the City and County of San Diego are within 2 miles. Based on this Survey, more than 60% of the Coaster passengers that use the Station in Solana Beach are from jurisdictions outside Solana Beach city limits.

This data supports the argument that the Solana Beach train station serves a much larger geographic area than just Solana Beach itself. The travel distance information collected demonstrates that between 48% and 74% of the passengers surveyed travel 2 miles or greater to get to their Coaster Station. For all Coaster Stations combined, the Survey determined that 63% of the passengers travel 2 miles or further to use the Coaster with between 16% and 35% traveling further than 5 miles to get to their Station. Two miles in any direction from the Solana Beach station is well beyond Solana Beach city limits. The regional nature of our train station is further proven by the requirement placed on the One Paseo project in the City of San Diego to provide for shuttle service to the Solana Beach train station which is just under 5 miles from the station.

The current RHNA methodology allocates all of the units for a train station to the jurisdiction in which the station resides. While this is likely a reasonable approach for larger jurisdictions, the data above demonstrates that for Cities as small as Solana Beach, this creates a significant outsized impact which is further exacerbated due to the large number of units assigned to a train station. The formula should clearly be adjusted to accommodate the impacts imposed on small jurisdictions and the above data would indicate that for a city the size of Solana Beach 48%-74% of the units assigned for transit should be placed in surrounding jurisdictions.

The City also still has concerns with the employment numbers that are within the proposed RHNA methodology. The proposed methodology is using 9,151 jobs as the factor for Solana Beach. This is significantly higher than any other SANDAG growth forecasts or employment numbers that the City has been able to verify. According to SANDAG's 2050 Regional Growth Forecast for 2020, Solana Beach is estimated to have 7,823 jobs. According to the California Employment Development Department (EDD), Solana Beach has an annual employment of 8,285. Additionally, the City is further confused by a recent email from SANDAG staff that stated that, although the EDD data that SANDAG is using is "restricted," there are 7,912 civilian wage and salary jobs, 692 self-employed jobs and 517 government jobs for a total of 9,121 jobs in Solana Beach. This number is different than the 9,151 jobs that are contained within the proposed RHNA Toolkit and is approximately 10% (using 8,285 jobs from EDD) to 17% higher (using 7,823 jobs from SANDAG's 2020 Regional Growth Forecast) than any information that our staff has been able to confirm. Using 9,151 jobs for Solana Beach results in 34 to 58 more units than otherwise would be using the range of jobs numbers noted above. It's important to have an independently verifiable jobs data source so that each jurisdiction understand how this number is generated which would likely result in a 10% to 17% reduction in Solana Beach's units based on the jobs factor in the RHNA Toolkit.

The outsized impact of the current RHNA formula on our small City is further evident by comparing the unit allocations for Solana Beach to the other Cities in our sub-region. Given Solana Beach's geographic size (3.4 square miles) in relation to our current proposed RHNA allocation of 876 units, Solana Beach would need to accommodate 260

housing units per square mile. Compared to our North County coastal neighbors, the next closest to this average is Oceanside at 130 units per square mile followed by Carlsbad (100 units per sq./mi.), Del Mar (93 units per sq./mi.) and Encinitas (81 units per sq./mi.). This clearly points to an inequitable distribution of units particularly considering that Solana Beach is largely built out and has very little vacant land on which to build. The State Department of Housing and Community Development (HCD) has recently expressed a preference (if not an outright requirement) to identify vacant parcels on which to allocate future housing unit development within a given jurisdiction. Within Solana Beach's multifamily residential and commercial land use areas, there are six noncontiguous parcels with a total of only 3.31 acres of vacant, undeveloped land. Should HCD require Solana Beach to identify only vacant parcels on which to accommodate our RHNA allocation, we would be looking at developing 140 units per acre. This is simply not possible.

While Solana Beach has specifically requested other adjustments related to the Jobs-to-Housing ratio in the proposed RHNA Methodology, the Rail & Rapid Transit vs. High Frequency Transit ratio, the Transit/Jobs ratio, and Equity Adjustment, we believe that as a small jurisdiction, the housing units being allocated to Solana Beach despite the regional nature of the train station and the extraordinarily high jobs numbers is both unfair and inequitable. Further consideration and revision to the proposed RHNA Methodology must be made to adjust for these factors that are giving our jurisdiction an exorbitantly high number of housing units that will prove impractical if not impossible to accommodate.

One promising approach was discussed during the last SANDAG Board Meeting where it appeared that there may be some support for possible consideration of a "small city" RHNA adjustment. Looking at city populations for San Diego County, there is a fairly significant gap in population size between the City of Imperial Beach and the next largest city. Solana Beach would support using the population of Imperial Beach as a maximum threshold for the definition of a "small city" (consisting of a population of up to approximately 28,000 (consideration could also be given to cities of no more than 5 square miles). If a jurisdiction met this criteria, consideration of a 50% reduction of the number of units that are allocated to small cities based on the SANDAG RHNA Toolkit could also be considered for reallocation to certain larger jurisdictions. Based on our estimation, there are five (5) jurisdictions that meet this criteria within the San Diego County region which would result in a reallocation of approximately 2,300 units. The reallocation could then go to those jurisdictions whose newly proposed RHNA allocations were reduced from the prior RHNA housing cycle. This would provide some linkage to jurisdictional housing capacity since those jurisdictions' last Housing Elements would have been certified based on a higher number of units which would then avoid significantly impacting any jurisdiction in this RHNA cycle.

The City of Solana Beach recognizes that there is a need for housing in our region and we are willing to accommodate for our fair share of housing, however, the current methodology is far from fair when considering the additional statistical and empirical information outlined in this and our prior letter and our testimony before the SANDAG Board.

We respectfully request that SANDAG staff and the Board of Directors make further adjustments to the proposed RHNA allocations to account for a small jurisdiction such as Solana Beach. Thank you for your time and consideration.

Sincerely,

Joseph Lim, AICP
Community Development Director

Cc: Greg Wade, City Manager
Coleen Clementson, SANDAG Acting Department Director of Land Use and Transportation Planning