LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

TM

"SHIRTSLEEVE" SESSION

Date: March 4, 2008

Time: 7:00 a.m.

For information regarding this Agenda please contact:
Randi Johl
City Clerk
Telephone: (209) 333-6702

NOTE: All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Regional Housing Needs Assessment Allocation Report (CD)

C. Comments by Public on Non-Agenda Items

D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

_____
Randi Johl
City Clerk

AGENDA ITEM B-01

CITY OF LODI
COUNCIL COMMUNICATION

TM

AGENDA TITLE: Regional Housing Needs Assessment Allocation Report

MEETING DATE: March 4, 2008

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Receive report on the Regional Housing Needs Allocation (RHNA) assessments for San Joaquin County and, more specifically, the city of Lodi, from Andrew Chesley, Executive Director of the San Joaquin Council of Governments (SJCOG).

BACKGROUND INFORMATION: In compliance with the state schedule for housing element updates (Gov. Code Section 65588), the State Department of Housing and Community Development (HCD) has notified SJCOG that the housing unit need in San Joaquin County for the period of 2007-2014 is a total of 38,220 housing units. HCD uses 2000 Census data to distribute those regional housing needs across four income categories: very low, low, moderate, and above moderate. It should be noted that originally HCD assigned a higher number of housing units needed in the County. SJCOG appealed this original number and the County number of 38,220 represents this lower number.

SJCOG, in turn, is required to distribute those percentages and corresponding number of housing units to local jurisdictions countywide. These allocations are not a forecast of building or housing permits that local agencies are required to build, but are more of a goal or target for jurisdictions to strive for as they prepare their updated housing element. Indeed, Section 65584 recognizes that future housing production may not equal the housing need established for planning purposes. Updated housing elements in San Joaquin County are to be submitted to HCD by August 31, 2009.

As part of the allocation process to local jurisdictions, SJCOG has developed a *Draft Methodology for Allocation to Local Jurisdictions.* The State statute requires that SJCOG take into consideration, among other things, market demand for housing, employment opportunities, the availability of suitable housing sites and public facilities, commuting patterns, the type and tenure of housing need, and farm worker housing need. However, by law, SJCOG may not consider local constraints that may prevent jurisdictions from receiving a “fair share” allocation of housing units. These constraints could include local growth control or sewer and water infrastructure capacity. The statute also requires that the allocation not perpetuate the concentration of low income housing within any jurisdiction in the region. Copies of all of the SJCOG documents related to that Draft Methodology and the proposed allocations are attached to this staff report. It should be noted that SJCOG is proposing to use the same methodology for this current round of Housing Needs Allocation for the period 2007 – 2014, as was used for the last round (2001 – 2007).

- Attachment A – Year 2007-2014 RHNA & Year 2001-2008 RHNA
- Attachment B – RHNA Draft Methodology
- Attachment C – RHNA Key Factors
- Attachment D – RHNA Plan FAQ

APPROVED: _____
Blair King, City Manager

- Attachment E – RHNA Transfer Limitations
- Attachment F – SJCOG Feb'08 Staff Report re: RHNA Process Updates
- Attachment G – State HCD letter to SJCOG (w/ attachments) re: Regional Housing Needs Determination

FISCAL IMPACT: N/A

FUNDING AVAILABLE: N/A

Randy Hatch
Community Development Director

Attachments

Attachment A

Year 2007 - 2014 RHNA by Income Category

	Very Low	Low	Moderate	Above Moderate	TOTALS	Percentage	Difference from Previous Allocation
Escalon	107	68	84	220	**480**	1%	0%
Lathrop	172	130	177	463	**941**	2%	0%
Lodi	1,184	794	889	1,963	**4,830**	13%	2%
Manteca	648	484	628	1,390	**3,150**	8%	-1%
Ripon	120	86	111	320	**638**	2%	-1%
Stockton	3,946	2,376	2,643	5,582	**14,547**	38%	-8%
Tracy	931	650	851	2,693	**5,126**	13%	-3%
SJ County	2,038	1,359	1,590	3,521	**8,509**	22%	11%
Total	**9,146**	**5,947**	**6,974**	**16,152**	**38,220**	100%	

Year 2001 - 2008 RHNA by Income Category

	Very Low	Low	Moderate	Above Moderate	TOTALS	Percentage
Escalon	109	78	84	219	**491**	1%
Lathrop	188	158	189	494	**1,029**	3%
Lodi	990	664	738	1,622	**4,014**	10%
Manteca	785	651	745	1,643	**3,823**	10%
Ripon	228	181	206	593	**1,208**	3%
Stockton	4,934	2,972	3,277	6,897	**18,081**	46%
Tracy	1,178	914	1,054	3,323	**6,469**	16%
SJ County	1,085	714	829	1,828	**4,456**	11%
Total	**9,497**	**6,332**	**7,122**	**16,619**	**39,571**	100%

Attachment B

SAN JOAQUIN COUNCIL OF GOVERNMENTS (SJCOG)

REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

DRAFT METHODOLOGY (February 1, 2008)

This document describes SJCOG's the Draft Methodology proposed to be used for the San Joaquin County RHNA process. The public review and comment period for the Draft Methodology will take place from February 6, 2008 through April 9, 2008. For additional information on the RHNA process, please see the FAQ section of the SJCOG website.

PROPOSED RHNA METHODOLOGY

The State Department of Housing and Community Development (HCD) notified the SJCOG on August 31, 2007 that the housing unit needs for the period of 2007-2014 is 38,220. The HCD approach did not account for the historic foreclosure rate the region of San Joaquin County is experiencing. Based on preliminary analysis provided to HCD by from SJCOG, a calculation was employed to take in account this fact which resulted in lowering the original HCD housing target number from 39,071 to 38,220.

HCD distributed the housing units among the four household income categories using historic rates of household formation. The household income category definitions that units are distributed include:

Very Low:	Income not exceeding 50 % median family income in the county
Low:	Income between 50% and 80% of median family income
Moderate:	Income between 80% and 120% of median family income
Above Moderate:	Income above 120% of median family income

Data from the 2000 census was used by HCD for the regional housing distribution across the income categories. For example, census data shows that 24% of the households in San Joaquin County had very low incomes based on a regional household income of $41,282. Therefore 24% of the housing units allocated for the period must be accessible to households in this income category. Based on this approach, the region's RHNA for the period of January 2007 through June 30, 2014 across the income categories is as follows:

INCOME CATEGORY	HOUSING UNIT NEED	PERCENT
Very Low	9,314	24%
Low	6,032	16%
Moderate	6,972	18%
Above Moderate	15,902	42%
TOTAL	**38,220**	**100%**

SJCOG must maintain these percentages and the corresponding number of units on a countywide basis as it allocates units to the local jurisdictions.

It is important to note that the housing units to be allocated are not a forecast of building or housing permits, nor are local agencies responsible for constructing housing. The numbers are goal targets and are not meant to match, and often exceed anticipated growth in housing units.

A proposed ***Draft Methodology for Allocation to Local Jurisdictions*** has been prepared by SJCOG based upon the SJCOG Board-adopted methodology used in the previous RHNA planning period (2001-2007). The goal of the methodology is to promote a jobs\housing balance by equally weighting the HCD housing allocation to jurisdictions based on where ***employment*** growth is expected to occur in the county and where ***household*** growth is expected to occur. Employment growth estimates were derived from the regionally adopted 2007 Regional Transportation Plan and housing estimates were derived from the State Department of Finance projections. SJCOG's methodology also requires each jurisdiction to move 50% of the way towards the regional average of each household income category over the 2007-2014 periods to avoid skewing low income units in any one jurisdiction.

Minor manual adjustments are expected to be employed to the local allocations resulting from the formula methodology to better match the countywide household income percentages and units distributed by HCD. In addition, housing allocations by jurisdiction may be refined due to the latitude, prescribed in state statute, which allows an incorporated city the ability to assume a portion of the unincorporated areas housing allocation. Other modifications to the final RHNA may result based on SJCOG's analysis of the following key factors:

- Each jurisdiction's existing and projected jobs / housing relationship;
- Lack of capacity for sewer or water service due to federal or state law, regulations or regulatory actions, or supply and distribution decisions made by service providers other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;
- The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities, as well as the potential for increased residential development under alternative zoning ordinance and land use restrictions;
- Lands preserved or protected from urban development under existing state/federal programs designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis;
- Policies to preserve prime agricultural land within an unincorporated area;
- Changes in a jurisdiction's Sphere of Influence that may occur during the RHNA planning period;
- Distribution of household growth assumed for a comparable period in the Regional Transportation Plan and opportunities to maximize the use of public transportation and existing transportation infrastructure;
- Market demand for housing;
- Housing needs of farm workers; and
- Other factors that may affect growth.

By state statute, SJCOG is not allowed to consider local constraints that may prevent jurisdictions from receiving a "fair share" allocation of housing units. These constraints include local growth ordinances. The statute also requires that the allocation not perpetuate the concentration of low income housing in any jurisdiction within the region.

Persons with questions regarding the housing needs allocation and allocation process may contact Michael A. Swearingen, Senior Regional Planner at (209) 468-3913.

REGIONAL HOUSING NEEDS ALLOCATION

KEY FACTORS

In developing the methodology to establish the Regional Housing Needs Allocation (RHNA) for the 2007-2014 planning period, SJCOG staff will evaluate key factors that may affect growth during this period, including:

- Each jurisdiction's existing and projected jobs / housing relationship;
- Lack of capacity for sewer or water service due to federal or state law, regulations or regulatory actions, or supply and distribution decisions made by service providers other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;
- The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities, as well as the potential for increased residential development under alternative zoning ordinance and land use restrictions;
- Lands preserved or protected from urban development under existing state/federal programs designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis;
- Policies to preserve prime agricultural land within an unincorporated area;
- Changes in a jurisdiction's Sphere of Influence that may occur during the RHNA planning period;
- Distribution of household growth assumed for a comparable period in the Regional Transportation Plan and opportunities to maximize the use of public transportation and existing transportation infrastructure;
- Market demand for housing;
- Housing needs of farm workers; and
- Other factors that may affect growth.

REGIONAL HOUSING NEEDS ALLOCATION PLAN

FREQUENTLY ASKED QUESTIONS

1. **What is the Regional Housing Needs Plan (RHNP) and Regional Housing Needs Allocation (RHNA)?**

   The Regional Housing Needs Allocation Plan (RHNP) allocates to SJCOG cities and counties their "fair share" of the region's projected housing needs. The SJCOG Board of Directors must adopt an update of the plan every five years. Each city and county in the RHNAP will receive a Regional Housing Needs Allocation (RHNA) of total number of housing units that it must plan for within a 7.5 year time period. Within the total number of units, allocations are also made for the number of units within four economic categories: very low, low, and moderate and above moderate incomes.

2. **What is SJCOG's role in the RHNAP?**

   State law mandates that council of governments develop the RHNP. SJCOG is lead agency in developing the RHNP for the seven incorporated cities and the unincorporated area that it serves. It is SJCOG's responsibility to coordinate with the California Department of Housing and Community Development (HCD) to determine a regional housing needs projection. Then SJCOG will allocate the share each jurisdiction will receive.

3. **What time period does the RHNAP cover?**

   The update of the RHNP that SJCOG is undertaking covers the 7.5 year period from January 1, 2007 through June 30, 2014. However, on May 24, 2007, in order to accommodate the Department of Finance's July 2007 update of the State's population projections, HCD extended the RHNA planning period through August 31, 2014.

4. **Are there any State Law changes in the RHNAP process?**

   The Regional Housing Needs Determination (RHND), a complex, state-mandated housing process is impacted by three new housing laws: AB 2158, AB 2348, and SB 1818. These laws affect the housing need allocation methodology, site selection, and density bonuses as follows:

   - AB 2158 allows for increased input from local jurisdictions into the RHND methodology and the regional planning process, including the creation of sub-regional entities
   - AB 2348 is aimed at providing housing developers with greater certainty in the development process
   - SB 1818 changes the existing density bonus laws to provide developers with more incentives to include affordable housing units in their projects.

5. **What is the overall housing needs allocation for the region?**

   HCD issued a Regional Housing Needs Determination of 38,220 dwelling units to the region from 2007-2014. This number was developed by the California Department of Finance and issued in August 2007 through the California Housing and Community Development Department. Subcategory allocations by economic category for the region are as follows:

- Very low income (less than 50% median household income [MFI]): 9,314 or 24%
- Low Income (50 to 80% MFI) 6,032 or 16% of total allocation
- Moderate (80 to 120% MFI) 6,972 or 18%
- Above Moderate (above 120% MFI) 15,902 or 42%

The allocation by HCD associated with the previous RHNA plan was 39,569 housing units.

5. **What is the overall timeline for the development of the RHNP?**

There are a number of requirements in state law that SJCOG will need to perform before the SJCOG Board of Directors can adopt the updated RHNAP. In general, the time lines are as follows:

SJCOG must develop and adopt a methodology for the allocation. The SJCOG Board of Directors needs to adopt the methodology by March of 2008.

Written public comments requesting a revision to the draft allocations will be due by May 23, 2008.

On June 26, 2008, the SJCOG Board will hold a hearing on the appeals.

On July 24, 2008, the SJCOG Board will hold a public hearing and determine whether to adopt the RHNAP, which is the document encompassing the Regional Housing Needs Allocation.

Cities and the County of San Joaquin will have until August 31, 2009 to adopt their housing elements, which identify how each will address its housing allocation during the RHNAP timeframe.

6. **What is the current status of the RHNA?**

- SJCOG staff negotiated with HCD to reduce the allocation due to the high incidence of home foreclosures.
- SJCOG received the Regional Housing Need Determination of 38,220 housing units in September 2007.
- First major step is to arrive at a consensus with jurisdictions regarding the methodology to be used to calculate the housing unit distribution.

7. **How have local governments and interested parties been involved or how can they get involved in the development of the RHNAP?**

The SJCOG RHNAP Advisory Committee meetings are the main forum for local government staff to hear and discuss updates in the RHNAP process. This committee is comprised of the Planning Directors and/or their assigned staff and is primarily a technical planning committee. All are welcome to attend these meetings, but the chairs at the table are reserved first for Planning Directors or their designee

8. **Can SJCOG provide notice of meetings with other stakeholder groups?**

SJCOG staff will inform local governments of updates to other stakeholder groups (e.g., development industry, affordable housing advocates, and neighborhood groups) as it seems

appropriate. Staff will use its judgment when to invite local governments to discuss the RHNAP topics depending on the purpose of the meeting, the audience, and other factors.

9. **Can SJCOG provide an online forum for discussion so other jurisdictions can see what comments it is receiving?**

   Once product is developed, anyone may go the SJCOG website for an online discussion about any issue regarding the RHNA. SJCOG jurisdictions and others may also provide written comments on the RHNAP methodology for the public record. Comments will be forwarded to the SJCOG's RHNAP Advisory Committee and the SJCOG Board of Directors.

11. **What does the adopted methodology allocate?**

    The RHNAP has two parts as required by state law. Part 1 is an allocation of the total number of housing units to each jurisdiction for which zoning capacity must be provided from January 1, 2007 through August 31, 2014. This part is referred to as the "overall allocation".

    Part 2 is the distribution of the same total number of units among four income categories; the sum of the housing units within the four categories must add up to the total overall number of units. Part 2 is referred to as the "income category distribution".

12. **Describe how the adopted methodology calculates the overall allocation to each jurisdiction.**

    To Be Determined

13. **Describe how the adopted methodology allocates units by income category.**

    To Be Determined

14. **Are there situations that SJCOG or its local governments have no control over that could change the RHNA numbers?**

    Yes, the Federal Emergency Management Agency is reviewing the suitability of flood levees throughout the region. If flood zone designations are changed and local jurisdictions receive a mandate to stop residential development in these areas, the methodology states that SJCOG will have to reallocate the entire RHNAP, even if this happens after it is adopted.

15. **The RHNA addressed planned units, and the RTP has built units. What's the difference?**

    The RTP must represent the best estimate of what will actually be built in the region between 2005 and 2030. Within the forecast, there are interim years that lead up to 2030. Each forecast year shows the placement of the number of units that are projected to be built by the end of that year. These estimates are based on local governments' General Plans and Specific Plans.

    HCD requires cities and counties to show through their Housing Elements how they can accommodate their projected housing allocation by planning and zoning enough residential land. The RHNA does not necessarily mean that these zoned residential lands will be built by end of the RHNP period.

RHNA TRANSFER LIMITATIONS

Two types of RHNA Transfers:

1) **County to existing city**
   a. Only a County (until due date of its Housing Element) can transfer a RHNA share (only to cities within the County), providing ALL of the following is met:
      i. Cities agree to accept transfer
      ii. County's transfer of very-low and low is proportional to transfer of moderate and above-moderate RHNA
      iii. COG verifies compliance and approves transfer

2) **County to new city**
   a. Only a County (until due date of its Housing Element) can transfer a RHNA share (only to cities within the County), providing ALL of the following is met:
      i. Within 1 year of incorporation
      ii. Both governments determine transfer or request COG to make determination

California Government Code 65584.07

a) During the period between adoption of a final regional housing needs allocation until the due date of the housing element update pursuant to Section 65588, the council of governments, or the department, whichever assigned the county's share, shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(1) One or more cities within the county agree to increase its share or their shares in an amount equivalent to the reduction.

(2) The transfer of shares shall only occur between a county and cities within that county.

(3) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(4) The council of governments or the department, whichever assigned the county's share, shall approve the proposed reduction, if it determines that the conditions set forth in paragraphs (1), (2), and (3) above have been satisfied. The county and city or cities proposing the transfer shall submit an analysis of the factors and circumstances, with all supporting data, justifying the revision to the council of governments or the department. The council of governments shall submit a copy of its decision regarding the proposed reduction to the department.

(b) The county and cities which have executed transfers of regional housing need pursuant to this section shall amend their housing elements and submit them to the department for review

pursuant to Section 65585. All materials and data used to justify any revision shall be made available upon request to any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship. A fee may be charged to interested parties for any additional costs caused by the amendments made to former subdivision (c) of Section 65584 that reduced from 45 to 7 days the time within which materials and data were required to be made available to interested parties.

(c) In the event an incorporation of a new city occurs after the council of governments, or the department for areas with no council of governments, has made its final allocation under this section, the city and county may reach a mutually acceptable agreement on a revised determination and report the revision to the council of governments and the department, or to the department for areas with no council of governments. If the affected parties cannot reach a mutually acceptable agreement, then either party may request the council of governments, or the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and make the revised determination.

The revised determination shall be made within one year of the incorporation of the new city based upon the methodology described in subdivision (a) and shall reallocate a portion of the affected county's share of regional housing needs to the new city. The revised determination shall neither reduce the total regional housing needs nor change the previous allocation of the regional housing needs assigned by the council of governments or the department, where there is no council of governments, to other cities within the affected county.

Attachment F

2/2008
SJCOG Board

STAFF REPORT

SUBJECT: Regional Housing Needs Allocation: Process Updates

RECOMMENDED ACTION: Information Only

DISCUSSION:

BACKGROUND

San Joaquin Council of Governments (SJCOG) is mandated by California government code section 65584 to determine the Regional Housing Need Allocation (RHNA) for its local jurisdictions for the years 2007-2014. By state law, the allocation must be received by the California Department of Housing and Community Development (HCD) by August 31, 2008. Local jurisdictions are required to incorporate the allocation into an updated general plan housing element, which must be submitted to HCD by August 31, 2009. The last time a housing needs allocation was adopted by the SJCOG Board was in 2002. It covered the 2001-2007 planning period.

The law requires, as the first step in the RHNA process, that HCD project housing construction needs at the regional level for the 2007-2014 time period. HCD utilizes population and employment projections from the SJCOG Regional Transportation Plan (RTP) and the most recent projections (in this case, July 2007) by the California Department of Finance (DOF) as the basis of their housing need determination for SJC. In addition, HCD uses Census data to distribute housing units among various income levels. The housing construction needs for San Joaquin County (SJC), as determined by HCD, are shown on the next page in *Table 1.*

Once the housing need determination is made by HCD, SJCOG is mandated to allocate the determination to the municipalities and unincorporated areas within the region. Specifically, SJCOG is required to allocate the HCD determination by household income category.

RHNA ALLOCATION

The units to be allocated as part of SJCOG's final RHNA Plan are not a forecast of building or housing permits, nor are local agencies responsible for constructing housing. The numbers HCD submits to SJCOG are "goal numbers" and are not meant to match, and often exceed, anticipated growth in housing units.

For the final RHNA plan, the statute requires that SJCOG take into consideration, among other things, the market demand for housing, employment opportunities, the availability of suitable housing sites and public facilities, commuting patterns, the type and tenure of housing need, and farm worker housing needs. However, by state law, SJCOG may not consider local constraints that may prevent jurisdictions from receiving a "fair share" allocation of housing units. These

constraints could include local growth control ordinances and sewer and water infrastructure capacity. The statute also requires that the allocation not perpetuate the concentration of low income housing within any jurisdiction in the region.

NEXT STEPS

The next step in the process is for SJCOG staff to develop a methodological tool for allocating the HCD determination. An advisory committee, consisting of members from local jurisdictions and partnering agencies, was formed in November 2007 to provide guidance and expertise in the development of the RHNA methodology. Staff has met with the committee three times since November and, as a result, has produced a draft methodology for the current RHNA cycle.

The draft methodology was submitted for public comment and review by local jurisdictions on February 1st, 2008. The 60-day public comment period will conclude with a public hearing on April 10, 2008. Member agencies and local jurisdictions are encouraged to provide feedback and input regarding the draft methodology during the public comment period. It is anticipated that there will be adjustments and modifications made to the draft methodology based on input received during the comment period and other statutory factors. Once completed, the final RHNA methodology will be submitted for approval to the SCJOG Board of Directors at the April 24, 2008 meeting.

TIMELINE

A summary of the key dates and deliverables for the current RHNA planning period are listed below:

- Draft Methodology Public Comment Period—February 1st, 2008 through April 9th, 2008
- Submit final RHNA Methodology to SJCOG Board for review and approval—April 24th, 2008
- SJCOG issues Draft Allocation Numbers for 60-day Public Comment and Appeal Period—April 28th, 2008 through June 27th, 2008
- SJCOG decides appeals, proposes Final RHNA Plan for SJC—June 30th, 2008 through August 21st, 2008
- Public hearing and Adoption by SJCOG Board of Directors—August 21st, 2008
- Submit Adopted RHNA Plan to HCD for review and approval—by August 31st, 2008

Prepared by: Anthony M. Zepeda, Associate Regional Planner
M:\STAFFRPT\2008\FEBRUARY \BOARD\RHNA.Update.doc

TABLE 1

California Department of Housing and Community Development
2007-2014 Regional Housing Need Determination
San Joaquin County

Income Category	Housing Unit Need	Percent
Very Low	9,314	24
Low	6,032	16
Moderate	6,972	18
Above Moderate	15,902	42
Total	38,220	100%

Attachment F

REGIONAL HOUSING NEEDS ALLOCATION (RHNA)
2007 – 2014 PLANNING PERIOD

SCHEDULE / DELIVERABLES

Preparation of Methodology	**Dec 2007 – Jan 2008**
• RHNA Advisory Committee	11/30/07
• Outreach to Local Jurisdictions	12/01/07 – 12/31/07
o Request Data/Develop Methodology	
• Issue Proposed Methodology	02/01/08

Review of Methodology	**Jan 2008 – Apr 2008**
• Public Comment Period (60 Days)	02/01/08 – 04/09/08
• Public Hearing about Proposed Methodology	04/10/08
• Review of Final Methodology by Advisory Committee	04/07/08 – 04/17/08
• Present Final Methodology to SJCOG Board for Adoption	04/24/08

Develop Draft RHNA Plan	**Apr 2008 – July 2008**
• SJCOG issues Draft Allocation Numbers	04/25/08

Appeals Process (60 days)	**April 2008 – July 2008**
• Local Jurisdictions may request revisions	04/28/08 – 06/27/08
• SJCOG responds to revision requests	04/28/08 – 06/27/08
• Public Comment about appeals	04/28/08 – 06/27/08
• SJCOG decides appeals and proposes Final RHNA Plan	06/30/08 – 07/11/08

Preparation and Adoption of Final RHNA Plan	**July 2008 – Aug 2008**
• SJCOG issues Final RHNA Plan	07/15/08
• Public Hearing and Adoption by SJCOG Board of Directors	08/21/08
• Submit Adopted RHNA Plan to HCD	08/25/08

***Due Date for Jurisdictions to Update their Housing Needs Element**	**August 31, 2009**

Attachment G

STATE OF CALIFORNIA -BUSINESS, TRANSPORTATION AND HOUSING AGENCY ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643

Mike S.
For Andrew
AC

RECEIVED
SEP 4 2007
San Joaquin
Council of Governments

August 31, 2007

Mr. Andrew Chesley, Executive Director
San Joaquin Council of Governments
555 E. Weber Avenue
Stockton. CA 95202

Dear Mr. Chesley:

RE: Regional Housing Needs Determination

This letter transmits the Regional Housing Needs Determination for San Joaquin Council of Governments (SJCOG) region pursuant to Government Code Section 65584. 01 of State housing element law. As you are aware, local governments play a critical role in advancing the State's housing goals through the update of their general plan housing elements. The determination of regional housing need is to be used for development of a regional housing need allocation plan (RHNP) to update housing elements.

On May 24, 2007, the Department of Housing and Community Development (Department) notified you that it extended the due date for jurisdictions to update their housing elements from June 30, 2009 to August 31, 2009. This extension was necessary to accommodate the Department of Finance's July 2007 update of the State's population projections.

The Department completed its consultation process after Linda Wheaton and Glen Campora held an initial consultation meeting with Dana Cowell, Mike Swearingen and Anthony Zepeda on July 17, 2007. At this meeting, the Department provided a copy of its draft determination of the regional housing need for San Joaquin County. In addition, a briefing was given on applicable statutory requirements and changes relating to development of the distribution of the allocation and factors to be considered in the methodology of the RHNP. The Department informed representatives of the opportunity to provide comments and information for the Department to consider in finalizing its determination.

The determination, shown on Attachment 1, represents the final determination of minimum housing need for SJCOG to be allocated among cities and counties in the RHNP for the planning period 2007 – 2014. The determination represents a revision of the Department's initial draft determination, based upon consideration of factors discussed in phone conversations with SJCOG staff subsequent to the July 17th consultation meeting and in an August 31 letter.

Please note that the RHNP is required to be consistent with the following objectives, as set forth in more detail in statute (Section 65584(d)):

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability;
(2) Promoting infill development and socioeconomic equity, protection of environmental and agricultural resources, and encouragement of efficient development patterns;
(3) Promoting an improved intraregional relationship between jobs and housing; and
(4) Balancing the distribution of households by income category.

Each jurisdiction must be allocated a share of housing need, by income category, to plan to accommodate in updating their housing elements by August 31, 2009. Regarding local government's regional housing need allocation, jurisdictions may take credit for housing units permitted since the January 2007 baseline of the housing element planning period that ends August 31, 2014.

Government Code Section 65584.01(d)(1) allows 30 days from the date of this letter to file an objection and proposed alternative to the Department's determination based only on demographic issues set forth in the statute. Pursuant to Government Code Section 65584.05 (h), the RHNP is to be submitted to the Department for review within 60 days of adoption by the council of governments. The Department is required to determine whether the RHNP is consistent with the regional housing need determination made by the Department (conveyed by this letter) and is authorized to revise the RHNP to obtain this consistency.

The Department appreciates the important role your organization plays in the regional housing needs process and the cooperation provided by representatives. Staff is available to further assist development and implementation of the RHNP and updates of the housing elements. For assistance, please contact Glen Campora, of our office, at (916) 327-2640.

Sincerely,

Cathy E. Creswell

Cathy E. Creswell
Deputy Director

Enclosures

Attachment 1

San Joaquin County

Regional Housing Need Determination

For the Period January 2007 through June 30, 2014

Income Category	Housing Unit Need	Percent
Very Low	9,314	24
Low	6,032	16
Moderate	6,972	18
Above Moderate	15,902	42
Total	38,220	100%

Attachment 2

San Joaquin County: Explanation of Regional Housing Need Determination For the Period January 1, 2007 through June 30, 2014

Methodology, Assumptions, and Data Sources Used to Project Housing Unit Need:

1. Household (HH) growth (37,389) was derived by subtracting 1/1/2007 "Occupied Housing Units" (215,127) from 6/30/2014 "Projected Households" (252,516). The Demographic Research Unit of the California Department of Finance (DOF) prepares these official estimates and projections last updated July 2007 (Population Projections by Race/Ethnicity, Gender and Age for California and Its Counties 2000-2050, July 2007). For planning period purposes, DOF provides the Department projections of HH population and projected number of households. The HH population projection reflects the population housed (occupied housing units) and excludes the group quarters population. Occupied housing units are estimated by DOF in its E-5 report (Population and Housing Estimates for Cities, Counties and the State, 2001-2007, with 2000 Benchmark, May 2007). The projected change in HH population reflects the change between January 1, 2007 (662,646) and June 30, 2014 (808,877). In projecting households, DOF uses the cohort-component method by applying age- and ethnicity-specific HH formation ratios from Census 2000 to the projected population as described on its webpage (http://www.dof.ca.gov/html/DEMOGRAP/ReportsPapers/Projections/P3).

2. Homeowner and Renter households (HHs): allocation based on Census 2000 proportion of owner-occupied HHs (60.4%) held constant through projection period. Renter HHs reflect the difference in subtracting homeowner HHs from projected HH growth.

3. Vacancy allowance: rates of 1.8% (owner) and 5.0% (renter) reflect adjustments from standard targets of 2.0% and 6.0%, respectively, for current conditions. Standard targets identified by Office of Planning and Research, Economic Practices Manual (1984:37). These rates were additionally decreased 50% to account for documented market abnormality.

4. Replacement allowance: empirical demolition rate per housing unit averages .09% per year for 2001 through 2007 based on DOF demolition permit data (average 196 demolition permits among jurisdictions within the county, 2001-2007). The average rate is adjusted by a multiple of 2 to account for other losses, such as demolitions without a permit, conversions from residential use to other uses not involving demolition, and/or dwelling units destroyed because of a disaster. The adjusted rate is multiplied by 7.5 (years in the planning period) yielding a 1.41% replacement allowance rate. The standard minimum replacement percentage is 1% whereas the maximum replacement percentage applied is 2%. These rates were additionally decreased 50% to account for documented market abnormality.

5. Income category allocation: each income category was calculated by multiplying total housing need by the proportion of HHs in each income category based on County median HH income (Census 2000) and income definitions (H&S Code Sections 50079.5 and 50105, et.seq.).

Housing Unit Need Projection:

Household growth, Census 2000 headship rates (1)		37,389
Homeowner HHs (2)	60.4%	22,576
Homeowner HH vacancy allowance (3)	.9%	203
Renter HHs	39.6%	14,813
Renter HHs vacancy allowance (3)	2.5%	370
Subtotal		37,962
Replacement allowance (4)	.71%	258
Total		38,220