

***San Joaquin
County***

Adopted August 28, 2014

2014 - 2023

REGIONAL HOUSING NEEDS PLAN (RHNP)



SAN JOAQUIN

COUNCIL OF GOVERNMENTS



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REGIONAL HOUSING NEEDS PLAN

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**RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

R-15-02

**RESOLUTION ADOPTING THE FINAL REGIONAL HOUSING
NEEDS PLAN FOR THE 2014 ~ 2023 (FIFTH)
HOUSING ELEMENT CYCLE FOR THE SAN JOAQUIN COUNTY REGION**

WHEREAS, state housing element law requires that the San Joaquin Council of Governments (SJCOG) develop and adopt a Regional Housing Needs Plan (RHNP) prior to the due date for each housing element cycle; and,

WHEREAS, the RHNP was developed in conjunction with the 2040 Regional Transportation Plan and the accompanying Sustainable Community Strategy (2040 RTP/SCS) to support the connection between planning and transportation, land use, and housing to assist in meeting the region's greenhouse gas (GHG) reduction targets set by the California Air Resources Board as required by Senate Bill 375 (SB 375); and,

WHEREAS, the 2040 regional growth forecast is the foundation for the RTP/SCS land use patterns and the RHNA allocation for the fifth housing element cycle; and,

WHEREAS, the California Department of Housing and Community Development (HCD) is required to consult with SJCOG in determining the existing and projected housing need to plan for regionally prior to each housing element cycle; and,

WHEREAS, HCD provided SJCOG with the countywide housing need target number of 40,360 units distributed by the four income categories based on the regional percentages of very low (23.5%), low (16.1%), moderate (17.5%), and above moderate (42.9%) median family housing income thresholds derived from the 2010 Census, American Community Survey (2007 ~ 2011); and,

WHEREAS, SJCOG is required by state law to allocate the countywide RHNA targets by jurisdiction and by individualized family income category; and,

WHEREAS, SJCOG, with the assistance of the RHNA Advisory Committee and input from other stakeholders, developed an SJCOG Board approved methodology for allocating the region's housing needs by jurisdiction and family income category; and,

WHEREAS, these methodologies were consistent with the RHNA objectives to take into consideration local jurisdiction land use plans, housing market demand, public facilities, suitable sites, travel patterns, employment projections, percentage of lower income households, and other local planning and demographic factors and principles; and,

WHEREAS, the methodology ensures that the distribution of the housing units do not disproportionately concentrate lower income households in jurisdictions that already have high proportions of lower income households; and,

WHEREAS, the intent of the RHNP and the resulting allocations to the individual jurisdiction will assist the region in meeting its housing needs in the four family income categories, meeting its GHG targets, addressing the transportation needs identified in the 2040 RTP, and helping reduce vehicles miles traveled; and,

NOW THEREFORE BE IT RESOLVED that the SJCOG Board of Directors hereby adopts the final RHNA Plan for the fifth housing element (January 1, 2014 ~ December 31, 2023).

PASSED AND ADOPTED this 28 day of August 2014, by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Supervisor Bestolarides, SJ County; Councilman Harris, City of Manteca; Councilman Dresser, City of Lathrop; Mayor Pro Tem Hansen, City of Lodi; Mayor Ives, City of Tracy; Councilman Laugero, City of Escalon; Mayor Silva, City of Stockton; Supervisor Villapudua, SJ County; Supervisor Vogel, SJ County; Mayor Winn, City of Ripon; Councilman Zapien, City of Stockton.

NOES: None.

ABSENT: Councilman Holman, City of Stockton.



STEVE DRESSER
Chair

EXECUTIVE SUMMARY

The Regional Housing Needs Allocation (RHNA) sets forth the total number of housing units that each city and the unincorporated county must plan for during the specified planning period. This document, the Regional Housing Needs Plan (RHNP), is the official assignment of unit totals to the jurisdictions in San Joaquin County. Each jurisdiction is responsible for updating the housing element of their respective general plans to demonstrate the manner in which they will meet the allocated housing unit growth. For this cycle, the fifth for San Joaquin County, the allocation covers the period from January 1, 2014 through December 31, 2023.

Preparation of the Regional Housing Needs Allocation (RHNA) is mandated by California government code section 65584. The law requires that the California Department of Housing and Community Development (HCD) project housing construction needs at the county level. SJCOG is responsible for developing a methodology to sub-allocate the county level projection. The law requires, as the initial step in the RHNA process, that HCD project overall housing unit needs at the regional level for the planning period, then further divide the housing need into four income categories. This division is intended to ensure adequate housing affordable for all income levels in the region. To accomplish this, HCD utilized population and employment projections from the SJCOG Regional Transportation Plan (RTP) and the most recent projections by the California Department of Finance (DOF) as the basis of their housing need determination for the San Joaquin County region. In addition, HCD uses the most recent Census data to distribute housing units among the income levels of very low, low, moderate, and above moderate, calculated as a percent of median income.

In consultation with SJCOG staff, HCD determined that San Joaquin must plan for 40,360 housing units over the 10-year planning period. For this planning cycle, HCD included an adjustment recognizing the abnormally high housing vacancy rate owing to an unprecedented housing foreclosure rate and the prolonged effects of the national recession that began in 2008. The final regional allocation by family income category was received by SJCOG on December 30, 2013. The Regional Housing Need Determination for the region for the period of January 1, 2014 through December 31, 2014 is as follows:

<i>Income Category</i>	<i>Housing Unit Need</i>	<i>Percent</i>
<i>Very Low</i>	9,485	23.5%
<i>Low</i>	6,500	16.1%
<i>Moderate</i>	7,065	17.5%
<i>Above Moderate</i>	17,310	42.9%
<i>TOTAL</i>	40,360	100.0%

As noted, SJCOG is mandated to develop a methodology to distribute the regional allocation of 40,360 housing units to the incorporated cities and the unincorporated area within the San Joaquin region. In addition, SJCOG must maintain these family income percentages and the corresponding number of units on a countywide basis as it allocates units to each of the eight (8) local jurisdictions. Based on the most

recent federal census, this allocation was distributed within the following household income categories for each jurisdiction:

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

The housing 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. In other words, HCD recognizes that future housing production may not equal the regional housing need established for planning purposes. However, state law *does not* allow the RHNA process to take into consideration any 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. Owing to the passage of Senate Bill 375 in 2008, the housing distribution to the jurisdictions must be consistent with the land-use distribution in the Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS).

A technical advisory committee consisting of members from local jurisdictions and partnering agencies was formed and began meeting in April 2013 to provide guidance and expertise in the development of the RHNA methodology. The committee reviewed and discussed different methodology approaches as well as reviewed the elements in state statute regarding opportunities and constraints to development of additional housing in each member jurisdiction. Additionally, the RHNA discussion was incorporated into discussions and presentations to the RTP / SCS Advisory Committee, a multi-disciplinary advisory body, to insure consistency between RHNA and the RTP and to provide additional opportunities for public input from a wide variety of stakeholder groups. A proposed draft RHNA methodology was released for public review and comment on January 23, 2014 that was based on the same methodology used for the previous RHNA, with the addition of a factor to ensure consistency with the land-use allocation in the 2014 RTP / SCS. The mandated 60-day review period closed on March 25, 2014.

After a minor proportional adjustment to the allocation in order to meet the sum of the regional allocation by family income category, the allocation for each jurisdiction by family income category resulting from the allocation methodology is as follows:

Agency	Extremely Low (\$16,129 & Below)	Very Low (\$16,130 to \$26,882)	Low (\$26,883 to \$43,011)	Moderate (\$43,012 to \$64,517)	Above Moderate (\$64,518 & Above)	Total RHNA
Escalon	60	43	66	64	192	425
Lathrop	526	493	759	957	2,421	5,156
Lodi	244	253	331	333	770	1,931
Manteca	459	466	693	825	1,958	4,401
Ripon	154	154	215	231	726	1,480
Stockton	1,675	1,482	2,004	2,103	4,560	11,824
Tracy	513	467	705	828	2,463	4,976
SJ County	1,257	1,239	1,727	1,724	4,220	10,167
Total	4,888	4,597	6,500	7,065	17,310	40,360
	12.1%	11.4%	16.1%	17.5%	42.9%	100.0%

INTRODUCTION and BACKGROUND

Beginning in the 1980s, the State of California has required each jurisdiction to plan for housing its projected population and to demonstrate that the plan can provide a mix of housing for people at various income levels. This is the fifth RHNA for the region. The RHNA period covering 1990-1997 was called the Fair Share Housing Plan. Changes in the law in the mid-1990s exempted Councils of Governments (COGs) from preparing an allocation for the mid-1990s cycle. The law was amended to establish a staggered four-year preparation cycle for regions around the state, and a new due date per region. Senate Bill (SB) 375 has again changed the timing of the RHNA by linking the process to the adoption of the Regional Transportation Plan (RTP). Although RHNA typically covers an eight-year period of time, this fifth cycle of the process covers a ten-year period to better align it with the RTP update cycle. Additional requirements of SB375 as it relates to the RHNA will be discussed in a subsequent section of the report.

The Regional Housing Needs Allocation (RHNA) sets forth the total number of housing units that each city and the unincorporated county must plan for during the specified planning period. This document, the Regional Housing Needs Plan (RHNP), is the official assignment of unit totals to the jurisdictions in San Joaquin County. Each jurisdiction is responsible for updating the housing element of their respective general plans to demonstrate the manner in which they will meet the allocated housing unit growth. For this cycle, the allocation covers the period from January 1, 2014 through December 31, 2023. The last time a housing needs allocation was adopted by the SJCOG Board was in 2008; it covered the planning period January 2007 to June 2014.

Preparation the RHNA is mandated by California government code section 65584 (See **Attachment A**). The state housing element law requires the RHNA to be consistent with four objectives:

- 1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in all jurisdictions receiving an allocation of units for low and very low-income households.
- 2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
- 3) Promoting an improved intraregional relationship between jobs and housing.
- 4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category.

As will be further discussed in a later section outlining the changes to the RHNA process owing to Senate Bill 375, both SJCOG's RHNP and its 2014 Regional Transportation Plan are consistent with these objectives.

The law requires that the California Department of Housing and Community Development (HCD) project housing construction needs at the county level. SJCOG is responsible for developing a methodology to sub-allocate the county level projection. Thus, the allocation consists of two steps:

- HCD determines the total housing need for each region in the State
- As the Council of Governments for San Joaquin County, SJCOG is responsible to distribute this housing need to local governments

When local jurisdictions update their General Plan Housing Elements, they must demonstrate sufficient zoning capacity to meet the estimated housing need in each income category. For the low and very low income categories, this generally requires the housing element to identify sites zoned for multi-family density ranges. The housing 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. In other words, HCD recognizes that future housing production may not equal the regional housing need established for planning purposes. Instead of mandating construction of units, housing element law is designed to ensure that jurisdictions do not impede the construction of housing in any one income category. It is recognized that housing construction is subject to market forces and other factors that may be outside of a jurisdiction's control.

RHNA PROCESS AND PREPERATION SCHEDULE

SCHEDULE OF DELIVERABLES AND KEY MILESTONES

Preparation of Methodology _____ April 2013 – January 2014

- RHNA Advisory Committee
- Outreach to Local Jurisdictions
- Issue Proposed Methodology for Public Review (January 24, 2014)

Review of Methodology _____ January 2014 – March 2014

- Public Comment Period (60 Days – January 24, 2014 – March 25, 2014)
- Public Hearing about Proposed Methodology (February 26, 2014)
- Review of Final Methodology by Advisory Committee
- Present Final Methodology to SJCOG Board for Adoption (March 27, 2014)

Develop Draft RHNA _____ February 2014–March 2014

- SJCOG issues Draft Allocation Numbers (March 27, 2014)

Revision Requests / Appeals _____ March 2014-July 2014

- Local Jurisdictions may request revisions (60 day review period through May 27, 2014)

Note: No revision requests were received by SJCOG. Had a revision request been received by SJCOG, statute would have required SJCOG to respond to the revision request within 60 days to accept the revision, modify the determination, or explain what a proposed revision was inconsistent with the regional housing need. After the determination on the requested revision, SJCOG would have set a date by which the requesting jurisdiction could file an appeal of the decision and would have been required to hold a public hearing on the appeal within 60 days.

Preparation and Adoption of Final RHNA Plan _____ July 2014 – August 2014

- SJCOG issues Final RHNA Plan (August 4, 2014)
- Public Hearing Prior to Adoption Consideration by SJCOG Board of Directors (Aug18, 2014)
- SJCOG Board Considers Adoption of the 2014-2023 RHNP (August 28, 2014)
- Submit Adopted RHNA Plan to HCD

Due Date for Jurisdictions to Update their Housing Needs Element _____ **December 31, 2015**

PROJECTED HOUSING NEED for the SAN JOAQUIN COUNTY REGION

For this cycle of January 1, 2014 through December 31, 2014, SJCOG was notified on December 30, 2013 that the county-wide allocation for the 10-year period is 40,360 housing units. Refer to **Attachment B: HCD Determination Letter** with county-wide housing unit totals by income category and explanation of the Regional Housing Needs Determination.

In completing the RHNA determination for SJCOG, HCD included the following factors and assumptions as specified in the applicable sections of the law (GC Section 65584.01):

- Anticipated household growth associated with projected population increases;
- Household size data and trends in household size;
- Rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- Vacancy rates in existing housing stock, and for healthy housing market functioning and regional mobility, as well as housing replacement needs;
- Other characteristics of the composition of the projected population; and
- Relationship and any imbalance between jobs and housing

The law requires, as the initial step in the RHNA process, that HCD project overall housing unit needs at the regional level for the planning period, then further divide the housing need into four income categories. This division is intended to ensure adequate housing affordable for all income levels in the region. To accomplish this, HCD utilized population and employment projections from the SJCOG Regional Transportation Plan (RTP) and the most recent projections by the California Department of Finance (DOF) as the basis of their housing need determination for San Joaquin County region. SJCOG's population and household forecast was completed by The Planning Center in March 2012 as part of a demographic update for all eight of the San Joaquin Valley counties. In addition to these projections, HCD uses the most recent Census data to distribute housing units among the income levels of very low, low, moderate, and above moderate, calculated as a percent of median income. HCD utilized the 2007-2011 5-year American Community Survey (ACS) data for determining the income category percentages for this cycle of RHNA. The income category formulas are defined in the table below:

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

The median household income from the 2007-2011 ACS data set for San Joaquin County is \$53,764. The result of the calculation is shown in the following table. For example, census data shows that 23.5% of the households in San Joaquin County had very low incomes relative to the median. Therefore 23.5% of the housing units allocated for the period must be accessible to households in this income category.

Based on this approach, the regional RHNA for the period of January 1, 2014 through December 31, 2023 across the income categories is as follows:

Regional Distribution by Family Income Category

<i>Income Category</i>	<i>Housing Unit Need</i>	<i>Percent</i>
<i>Very Low</i>	9,485	23.5%
<i>Low</i>	6,500	16.1%
<i>Moderate</i>	7,065	17.5%
<i>Above Moderate</i>	17,310	42.9%
<i>TOTAL</i>	40,360	100.0%

California Department of Housing and Community Development
2014-2023 Regional Housing Need Determination
San Joaquin County

SJCOG must maintain these family income percentages and the corresponding number of units on a countywide basis as it allocates units to each of the eight (8) local jurisdictions.

The RHNA process between SJCOG and HCD was an iterative one. After receiving the initial RHNA determination from HCD in March 2013, HCD staff and SJCOG staff participated in numerous phone calls and face to face meetings to exchange information and refine the underlying assumptions utilized in the determination (e.g. housing vacancy rates, household formation rates). The resulting housing need determination was more consistent with the household forecasts included in the RTP / SCS.

SENATE BILL 375 and RHNA

With the passage of the Sustainable Communities and Climate Protection Act of 2008, also known as Senate Bill (SB) 375, the RHNA process became integral to the Regional Transportation Plan. The bill mandates that each of California's Metropolitan Planning Organizations (MPOs) prepare a Sustainable Communities Strategy or SCS as part of its Regional Transportation Plan. SB375 seeks to reduce greenhouse gas emissions reductions through coordinated transportation and land-use planning. Previously, the RHNA was an independent analysis from the RTP. SB375 requires that the two processes be coordinated and that the RHNA allocations to the jurisdictions be consistent with the general land-use development pattern in the RTP.

In addition to the RHNA requirements in the state housing element law (GC Section 65584), SB 375 requires the RTP to:

- Consider the State housing goals
- Identify areas within the region to house all the population of the region, including all economic segments of the population over the course of the planning period for the RTP, and
- Identify areas within the region sufficient to house the regional housing needs for the region

SJCOG's 2014 Regional Transportation Plan demonstrates consistency with these requirements and the Regional Housing Needs Plan is consistent with the general land-use pattern and household projections within the RTP.

PUBLIC OUTREACH AND PARTICIPATION

State law governing the RHNA process states that “public participation and access shall be required in the development of the methodology and in the process of drafting and adopting the allocation of the regional housing needs.” SJCOG’s public participation for RHNA included a technical advisory committee comprised of the representatives from each San Joaquin County jurisdiction’s community development department. This committee was convened in April 2013 and met periodically during 2013 and 2014. Additionally, the RHNA process and methodology was presented to and discussed by the RTP / SCS Advisory Committee (a multi-disciplinary committee serving in an advisory capacity to the SJCOG board), the SJCOG standing committees and Board of Directors, and the public.

RHNA 60-DAY Review Period

A proposed draft RHNA methodology went out for public review and comment on January 24, 2014 that was based on the same methodology used for the previous RHNA, with the addition of a factor to insure consistency with the allocation of the countywide household projections to the jurisdictions in the RTP / SCS. The mandated 60-day review period technically closed on March 25, 2014. Refer to **Attachment C: Noticed Public Hearing**.

In response to the draft methodology, SJCOG received one comment from California Rural Legal Assistance, Inc. (included in **Attachment D**). The letter raised concern that the preliminary RHNA allocation distributed with the proposed methodology did not match the allocation of the overall RHNA to the four family income categories in the final HCD RHNA determination. SJCOG reviewed the application of the methodology and revised the preliminary allocation to match the HCD Housing Needs Determination. Additionally, Appendix U in the RTP / SCS document was updated to reflect the methodology and preliminary allocation that was approved by the SJCOG Board of Directors on March 27, 2014.

RTP / SCS (Valley Visions San Joaquin) Outreach Process

As noted above, SB375 required, for the first time since the RHNA process was implemented by the State, that the RHNA be integrated with the RTP. Thus, the RHNA and the RTP projections and generalized land-use pattern were developed in tandem. Throughout 2013 and into 2014 SJCOG conducted listening sessions, public workshops and made other presentations throughout San Joaquin County on transportation and land-use goals & objectives, demographic forecasts, land-use scenario development, scenario selection, and the relationship of RHNA to the RTP. Additionally, fact sheets on the RHNA process and working RHNA documents were posted to the SJCOG webpage for public information and review. A full section on the RTP / SCS Civic Engagement process can be found in Chapter 2 of the Adopted 2014 Regional Transportation Plan.

GROWTH PROJECTIONS FOR THE RTP/SCS AND RHNA

The Regional Transportation Plan's planning horizon is 2040; however, owing to SB 375's focus on greenhouse gas reduction measurement in the years 2020 and 2035, sub-regional household and employment forecasts by jurisdiction were developed for these years and were the basis for scenario development for the RTP. The RHNA planning period is January 1, 2014 to December 31, 2023, a 10-year subset of the RTP forecast.

SJCOG's overall household and population forecasts were based on a March 2012 demographic study completed by The Planning Center for each of the eight San Joaquin Valley Councils of Government. The forecast of employment was produced by the University of the Pacific Business Forecasting Center and was also completed in March 2012. In order to allocate the overall forecast of jobs and households to SJCOG's seven cities and the unincorporated county, SJCOG staff worked with the professional public works and planning staffs in each jurisdiction over a period of several months to consider a variety of factors, including historical growth rates, housing trends, pending and approved development projects, and general / community plans. The resulting sub-allocation of households and employment became the beginning point for the RHNA process. SJCOG also met with each jurisdiction to collect new or updated planning assumptions as they relate directly to the RHNA factors to be discussed later in this document.

In addition to the overall sub-allocation of households, SJCOG relied on a variety of other studies as outlined in Chapter 3 of the RTP to inform issues surrounding housing choice and infill development. Of particular note are a Higher Density Housing Study completed in June 2012, which looked at a variety of economic and demographic data, including income levels, to produce estimated future demand for a variety of housing types. SJCOG's Regional Smart-Growth Transit-Oriented Development Plan, also completed in 2012, helped to guide the location of infill development in the RTP. The analysis and conclusions of these two studies were directly incorporated into the housing choice and infill aspects of the RTP performance indicators.

While the RTP growth forecast forms the basis of the RHNA calculation and the final RHNA calculation must be consistent with the overall development pattern in the RTP, there are some differences between the two processes. The RTP forecast utilizes population and households as the basis for its analysis; it seeks to forecast the probable location of new households in the region based on market conditions and other policy factors. The RHNA process estimates housing units (including a vacancy factor) and is intended to identify adequate housing capacity within each jurisdiction. Additionally, although HCD utilized the RTP population forecast for the determination, there was some variation in the assumptions utilized when converting the population to households, and, ultimately, to the final housing unit determination. The final determination was based on a blending of the assumptions underlying the RTP and initial RHNA forecasts. The RHNA factors and the approved SJCOG RHNA methodology are discussed in the section to follow.

RHNA METHODOLOGY FACTORS

State housing law identifies several factors that SJCOG must consider when developing its RHNA methodology. SJCOG's approach for incorporating each required factor is detailed below:

1. Existing and projected jobs housing relationship:

SJCOG reviewed the jobs and housing relationship in each jurisdiction. The growth forecast distribution in the RTP for households and employment in the future is the basis for this analysis. The relationship of jobs to households, as well as the relationship of jobs to the labor force in each jurisdiction was reviewed; the potential for changes in historic job growth was considered in light of current economic conditions, known future projects, and long-range growth projections by employment sector.

2. Opportunities and constraints to development of additional housing, including:

- a. Lack of capacity for sewer and water due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.*

The RTP land-use forecast took this factor into account through use of local general and specific plans to guide the location and potential density of housing. Under state law local general plans are required to address public utilities and facilities in both the circulation and land use elements. While one jurisdiction indicated the potential need for additional sewer capacity during the RHNA planning period, it was not a consideration in allocating a fair share of housing under the RHNA methodology. The only case where a jurisdiction is allowed an adjustment is where federal or state regulations were to preclude a jurisdiction from providing sewer and water capacity for additional development.

- b. Availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.*

The RTP land-use forecast took into account available developable land in each jurisdiction. Infill sites were identified through various planning documents considered during the RTP scenario development process, including the SJCOG Smart Growth Transit Oriented Development Plan. The RTP includes strategies to encourage infill development, mixed-use development, and increased residential densities as compared to both the current housing mix and a business as usual development pattern. The RTP assumes an increased share of multi-family units relative to historic trends in each jurisdiction. Local planning officials were instrumental in identifying and prioritizing available sites.

- c. *Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.*

There are relatively few lands regulated by state or federal law within San Joaquin County. However, those that do exist were explicitly considered in the land-use development pattern within the RTP. SJCOG also considered lands under easement either through the San Joaquin County Multi-Species Conservation Habitat Plan or other easement programs. In general these lands are outside of locations likely to develop over the course of the RHNA planning period and are not identified through development in local general plans.

Owing to a significant amount of land in San Joaquin County being within the primary and secondary zone of the Delta, consistency with the Delta Plan through the Delta Stewardship Council was also considered in the RTP and the RHNA. Preserved/protected lands did not prevent a fair share RHNA allocation to each jurisdiction.

- d. *County policies to preserve prime agriculture lands within an unincorporated area.*

Some jurisdictions within the county have policies related to the conservation of agricultural lands in the county. The RTP land-use forecast did not assume development of identified agricultural areas. Much of the San Joaquin County economy is dependent on the agricultural industry. As such, most general plans in the county, particularly for the unincorporated county, contain policies encouraging development directed toward existing urban areas and away from agricultural lands. The preservation of farmland was address in the RTP; performance indicators utilized compared the degree of prime farmland development across considered land-use forecast scenarios.

3. 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.

As previously indicated, the RTP land-use forecast is the basis for the initial RHNA allocations to the jurisdictions and represents a sub-set of the forecasts out to 2040, with intermediate forecasts for 2020 and 2035. These forecasts were developed in collaboration with professional planning staffs in each jurisdiction. The RTP contained strategies to improve transportation system efficiency, provide efficient and convenient access for uses at all income levels, and facilitate transit-oriented development to maximize transit investments. Performance indicators considered in the plan addressed transit ridership increases and the percentage of housing and employment within ½ mile of frequent transit service.

4. Market demand for housing.

Market demand for housing was directly addressed in the RTP in the 2012 Planning Center demographic forecast and the 2012 Higher Density Housing study. Economic conditions, housing costs, demographic factors, historic growth, pending development projects, and other important factors were considered in both of these studies. The RTP development pattern took into account abnormally high vacancy rates in each jurisdiction attributable to the recent housing crisis and national economic downturn through absorption of excess vacant housing units. Any differences in market demand in the individual

jurisdictions in San Joaquin County were addressed in the current vacancy rate and healthy vacancy rates utilized in the conversion of household forecasts in the RTP to housing unit forecasts in the RHNA methodology.

5. Agreements between counties and cities to direct growth toward incorporated areas.

This factor is primarily addressed in the San Joaquin County General Plan, which was directly considered in the RTP growth forecast. Policies in the San Joaquin County General Plan direct growth to urban communities within the County, particularly the unincorporated community of Mountain House on the western edge of San Joaquin County.

The RTP development pattern and policies contained in the document emphasize compact, infill development, which directs development toward existing urbanized areas. Performance indicators in the analysis addressed acres of land consumed and the percentage of new development that is infill to assess plan performance against a business as usual scenario.

6. Loss of units contained in assisted housing developments.

Assisted housing units are multi-family rental housing units covered under federal and/or state assistance programs. Comprehensive data on the status of such units as being “at risk” for conversion to market rate units was not generally available and was deemed insufficient for inclusion in the RHNA methodology. Housing law related to housing elements requires each jurisdiction to address this factor when updating their housing elements.

7. High housing cost burdens.

Projected household growth in the region was fully accounted for in the RTP development pattern to help insure that upward pressure on housing costs would not be a result of shortages in the housing supply. Regional market demand by housing product was taken into account in the Higher Density Housing study – which informed the RTP land-use development forecast. Performance indicators in the RTP related to housing choice were utilized to assess the degree of housing diversity between the RTP development pattern and that of a business as usual scenario. Over 60% of new development is forecast to be in multi-family type housing products. These types of units have a generally lower housing cost burden for both rental and owner units than traditional single-family products. Additionally, regional income parity was addressed in the RHNA methodology, which affects each jurisdiction’s required RHNA across the family income categories.

8. Housing needs of farmworkers.

According to the USDA 2012 AgCensus of Farmworkers, there were 24,782 farmworkers in San Joaquin County and a total of 1,748 farms. Of these farms, only 201 employed 10 or more workers. The data shows that 15,723 of the total farm workers in San Joaquin County were known to work less than 150 days during the year (about 60% of the year). It is unknown whether these workers migrate to other areas or whether they are employed in other types of work during the remainder of the year.

According to the jobs forecast utilized for the RTP, farm employment remains relatively flat during the 10-year RHNA period and beyond. Agricultural jobs were assumed to be located in predominantly the same location as they are located currently. Thus, on-farm housing needs would not be expected to change significantly. However, the permanent housing needs of farmworkers may be expected to change over time similar to any household's housing needs in terms of location. Farm worker households generally have lower-incomes and therefore need lower-priced housing. Thus, permanent housing needs of farm workers are implicitly addressed in the allocation of housing units to jurisdictions by income categories. The needs of farmworkers will also be addressed by each jurisdiction when updating their housing elements.

9. Housing needs generated by the presence of a private university or a campus of the California State University or the University of California.

The housing needs of the University of the Pacific and a satellite campus for California State University, Stanislaus (both located within the City of Stockton) were explicitly considered and incorporated into the RTP development pattern. The City of Stockton and the University of the Pacific have worked closely together to address the future housing needs of the university; it is expected this factor will be fully considered within Stockton's housing element update.

10. Any other relevant factors, as determined by SJCOG.

No other relevant factors other than those discussed above or identified in the Methodology section were considered by SJCOG in development of the 2014-2023 RHNA.

RHNA METHODOLOGY for the SAN JOAQUIN COUNTY REGION

The methodology used for this 5th cycle of RHNA is similar in approach for that utilized for the 4th cycle of RHNA. The notable difference is the factor to insure consistency with the development pattern within the 2014 Regional Transportation Plan. The goals of the methodology are to promote a jobs\housing balance by equal weighting the allocation to jurisdictions based on where employment growth is expected to occur in the county and where household growth is expected to occur. The methodology also required each jurisdiction to move 50% of the way towards the regional average of each household income category to avoid perpetuating an over-concentration of low income units in any one jurisdiction. Minor manual adjustments are made to the local allocations resulting from the formula methodology to exactly match the countywide household income percentages and units distributed by HCD.

The goal of the RHNA methodology is to equitably assign to each jurisdiction a portion of the 40,360 countywide RHNA target. The proposed RHNA methodology takes into consideration the following objectives:

- 1) Relationship between jobs and housing.
- 2) Identify any existing local, regional, or state incentives available to local governments that are willing to accept a higher RHNA share than proposed in the draft allocation.
- 3) Ensure that the total regional housing need, by income category is maintained, and that each jurisdiction in the region receives an allocation of units for low- and very low income households.
- 4) Consistency with the SCS's development pattern.

ALLOCATION METHODOLOGY FACTORS (As Approved March 27, 2014)

FACTOR 1: Jobs & Household Relationship

Objective: The objective is to establish an individualized job and household relationship factor for each jurisdiction. These factors allow the methodology to be more sensitive to the jobs and household characteristics of the region to the individual jurisdictions in order to promote a more balanced allocation of the countywide RHNA target.



The data needed to arrive at the Job Household Relationship Factors includes:



The methodology to arrive at the individualized jobs to household relationship factors is as follows:

Jobs Relationship Factor	=	Year 2013 Job Growth	÷	Working Adults per Household
Household Relationship Factor	=	Year 2023 Household Growth	÷	Working Adults per Household

The following Table I provides the draft calculation to arrive at the individualized jobs and households relationship factors:

Table I: Jobs & Housing Relationship

AGENCY	Year 2023 Jobs	Year 2023 Households	Workers per Household	Working Adults (Ages 19-64)	Jobs Relations Factor (JRF)	Households Relations Factor (HRF)
Escalon	1,974	3,048	1.92	5,850	33.7%	52%
Lathrop	6,283	11,232	2.05	23,020	27.3%	49%
Lodi	25,344	25,663	1.86	47,620	53.2%	54%
Manteca	17,176	26,609	2.07	55,000	31.2%	48%
Ripon	4,152	7,198	2.01	14,470	28.7%	50%
Stockton	131,564	114,410	1.97	225,790	58.3%	51%
Tracy	24,581	31,197	2.08	64,820	37.9%	48%
San Joaquin County	31,613	40,842	1.93	79,020	40.0%	52%
Total	242,687	260,199		515,590	38.80%	50.24%

Data sources: Employment (Business Forecasting Center, Eberhardt School of Business), Population & Household (Planning Center), Working Adults per Household (Year 2010 United States Census Bureau)

FACTOR 2: Sustainable Housing

Objective: The objective of this factor is to meet the intent of SB 375 by accounting for each jurisdiction’s portion of the countywide RHNA subject to the projected year 2035 SCS. The following initial step would be applied to convert SCS related households to housing units:

RHNA & SCS housing units	=	RHNA/SCS period households	×	Healthy vacancy rate
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The use of year 2000 United States Census Bureau vacancy rates for each jurisdiction are proposed to be used because they best correspond to what is considered a “healthy” vacancy rate by industry standards. The following Table II documents and compares the year 2000 and year 2010 vacancy rates:

Table II: Housing Vacancy Rates

AGENCY	Escalon	Lathrop	Lodi	Manteca	Ripon	Stockton	Tracy	SJ County	Average
Year 2000 Vancancy Rate	3.56%	2.77%	3.21%	3.36%	2.26%	4.25%	2.58%	4.95%	3.37%
Year 2010 Vancancy Rate	5.13%	9.10%	7.12%	6.55%	5.34%	9.06%	6.29%	8.27%	7.11%
Difference	1.57%	6.33%	3.91%	3.19%	3.08%	4.81%	3.71%	3.32%	

The data needed to arrive at the Sustainable Housing Factors includes:



Applying the SCS period average growth rate to the RHNA period total provides an average RHNA to SCS housing unit outcome based on each jurisdiction’s SCS development pattern to the region. The methodology to arrive at a sustainable housing factor for each jurisdiction is as follows:

Sustainable Housing Factor	=	RHNA period housing	×	2035 SCS percentage growth rate	+	RHNA period housing based on SCS unit rate	÷	2
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The following Table III provides the preliminary sustainable housing factor results:

Table III: Sustainable Housing Factor

AGENCY	Healthy Vacancy Rate	Year 2014 Households	Year 2014 Housing Units	Year 2023 Households	Year 2023 Housing Units	RHNA Period Housing Units	2035 SCS Housing Unit Rate	SCS Period Housing Units	Average RHNA to SCS
Escalon	3.56%	2,658	2,753	3,048	3,157	404	1.00%	340	372
Lathrop	2.77%	6,812	7,001	11,232	11,543	4,542	14.18%	4,820	4,681
Lodi	3.21%	24,219	24,996	25,663	26,487	1,490	4.24%	1,440	1,465
Manteca	3.36%	23,444	24,232	26,609	27,503	3,271	13.77%	4,681	3,976
Ripon	2.26%	5,835	5,967	7,198	7,361	1,394	3.67%	1,246	1,320
Stockton	4.25%	107,629	112,203	114,410	119,272	7,069	34.11%	11,591	9,330
Tracy	2.58%	27,056	27,754	31,197	32,002	4,248	13.08%	4,446	4,347
SJ County	4.95%	29,822	31,298	40,842	42,864	11,565	15.95%	5,420	8,492
Total		227,475	236,204	260,199	270,188	33,984	100.00%	33,984	33,984

Data sources: Vacancy Rates (United States Federal Census Bureau), Households (Planning Center)

FACTOR 3: Family Income Characteristics

Objective: The objective of this factor is to ensure that an equitable share of each jurisdiction’s RHNA target is responsive to family income limits characteristics of the jurisdiction.

The family income characteristic factor recognizes the difference between the total households regionally in each income category to the jurisdiction’s proportion for that same income category. The following Table IV outlines the households to family income ranges from the United States Census Bureau:

Table IV: Family Income Limits by Jurisdiction

Agency		City of Escalon	City of Lathrop	City of Lodi	City of Manteca	City of Ripon	City of Stockton	City of Tracy	SJ County (Unincorporated Area)	San Joaquin County Region
Family Income Limits		Households to Medium Family Income of \$53,764								
\$0	\$10,000	118	200	966	650	102	5,993	864	2,080	10,973
\$10,000	\$14,999	252	112	1,376	860	199	6,203	749	2,441	12,192
\$15,000	\$24,999	178	293	2,903	1,789	348	10,861	1,468	4,863	22,703
\$25,000	\$34,999	259	370	2,506	1,818	406	9,681	1,450	5,290	21,780
\$35,000	\$49,999	314	562	3,395	3,234	424	14,145	2,966	6,161	31,201
\$50,000	\$74,999	334	1,146	3,763	4,890	725	16,717	4,073	7,569	39,217
\$75,000	\$99,999	523	839	2,302	3,614	575	10,373	3,292	5,387	26,905
\$100,000	\$149,999	480	817	2,932	3,182	772	10,199	5,487	5,746	29,615
\$150,000	\$199,999	150	273	1,039	1,199	470	3,431	2,079	2,261	10,902
\$200,000	or more	28	90	851	382	446	2,213	1,185	2,219	7,414
Total households		2,636	4,702	22,033	21,618	4,467	89,816	23,613	44,017	212,902

Data Source: United States Census Bureau, American Fact Finder (2011 American Community Survey)

Based on a countywide median household income of \$53,764, the RHNA median family income limits include:

Extremely Low (30% median)	\$0~\$16,129	Very Low (50% median)	\$16,130~\$26,882
Low (80% median)	\$26,883 ~\$43,011	Moderate (120% median)	\$43,012 to \$64,517
Above moderate (all else)	\$64,518 and Above		

Using the United States Census Bureau to realign the RHNA income limits ensures that jurisdictions are not disproportionately allocated RHNA targets in any particular income category. The following Table V provides the results of the alignment of the family income characteristics by jurisdiction:

Table V: RHNA Family Income Characteristics by Jurisdiction

Agency	Extremely Low (\$16,129 & Below)	Very Low (\$16,130 to \$26,882)	Low (\$26,883 to \$43,011)	Moderate (\$43,012 to \$64,517)	Above Moderate (\$64,518 & Above)	Total Households
Escalon	391	208	378	340	1,321	2,637
	14.8%	7.9%	14.3%	12.9%	50.1%	100.0%
Lathrop	346	331	601	927	2,498	4,703
	7.4%	7.0%	12.8%	19.7%	53.1%	100.0%
Lodi	2,675	3,053	3,848	3,766	8,693	22,034
	12.1%	13.9%	17.5%	17.1%	39.5%	100.0%
Manteca	1,715	1,935	3,204	4,345	10,419	21,618
	7.9%	9.0%	14.8%	20.1%	48.2%	100.0%
Ripon	341	386	556	618	2,567	4,468
	7.6%	8.6%	12.4%	13.8%	57.4%	100.0%
Stockton	13,450	11,477	15,417	16,292	33,180	89,816
	15.0%	12.8%	17.2%	18.1%	36.9%	100.0%
Tracy	1,786	1,582	2,762	3,746	13,740	23,615
	7.6%	6.7%	11.7%	15.9%	58.2%	100.0%
SJ County	5,078	5,321	7,587	7,267	18,757	44,009
	11.5%	12.1%	17.2%	16.5%	42.6%	100.0%
Total	25,782	24,292	34,353	37,298	91,176	212,902
Regional %	12.1%	11.4%	16.1%	17.5%	42.8%	100.0%

Data sources: Median Family Income (2010 United States Census Bureau) Median Family Income Limits (2010 United States Census Bureau)

The methodology to distribute the individualized RHNA target by the family income limit is as follows:

RHNA by Family Income Limits	=	Net RHNA	×	Income percentage limits by jurisdiction
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RHNA ALLOCATION METHODOLOGY

The countywide and individualized data for each jurisdiction is applied to the proposed RHNA Allocation Methodology. The following Sample RHNA Allocation Methodology, uses the outcomes of the three factors of: 1) Jobs to Housing Relationship; 2) Sustainable Housing; and, 3) Family Income Characteristics to arrive at the RHNA share per jurisdiction.

SAMPLE RHNA ALLOCATION METHODOLOGY

	A		B		C		D		E		F
1 -	Households 2023		Households 2024	=	Household Growth		Regional Household Growth		Share of Household Growth		Total Projected Housing Target
	# Households	-	# Households	=	Difference 1B-1A		Yr. 2014-2023		1C/1D		
2 -	Jobs 2023		Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		Total Projected Housing Target
	# Jobs	-	# Jobs	=	Difference 2B-2A		Yr. 2014-2023		2C/2D		
3 -	Share of Job Growth		Jobs Relationship Factor (JRF)	+	Share of Household Growth		Household Relationship Factor (HRF)		Remaining RHNA SHF of 16%		Total Projected Housing Target
	Value of 2E	x	3A x JRF	+	Value of 1E	x	3C x HRF	x	Net RHNA Value	=	
4 -								Sustainable Housing Factor			SCS Housing Units
5 -								TOTAL RHNA			Share of RHNA
Household Income Distribution											
6 -	Income Category		Household Income Percentage by Jurisdiction		Household Income Percentage for Region		Average of Agency & Regional Income		Reconciliation of Income Limit Differentials		Housing Unit Allocation by Income Category
	*Very Low		0.00%		0.00%		0.00%		Plus & or Minus		RHNA to Income
	Low		0.00%		0.00%		0.00%		Plus & or Minus		RHNA to Income
	Moderate		0.00%		0.00%		0.00%		Plus & or Minus		RHNA to Income
	Above Moderate		0.00%		0.00%		0.00%		Plus & or Minus		RHNA to Income
	TOTAL		0%		0%		0%				Total RHNA

* Includes Extremely Low

The description of the values found in the Sample RHNA Allocation Methodology are as follows:

- 1) Section 1C is the difference of year 2023 (1A) and year 2014 (1B) household growth.
- 2) Section 1D is the year 2023 countywide household growth.
- 3) Section 1E is the percentage share of housing growth (1C/1D).
- 4) Section 2C is the difference of the year 2023 (2A) and year 2014 (2B) jobs growth.
- 5) Section 2D is the year 2023 countywide jobs growth.
- 6) Section 2E is the percentage share of job growth (2C/2D).
- 7) The sub total of RHNA in Section 3F is derived by multiplying the share of job growth (3A) by the individualized jobs relationship factor (3B) and the share of household growth (3C) by the individualized household relationship factor (3D). The amount in (3E), represents the remaining 15.8% of the countywide RHNA after the SHF is applied. The amount in (3E) is slightly higher (6,434) than the difference between the total SHF and the countywide RHNA (6,376) to adjust for an under allocation of 58 units. The jobs and housing factors are unique to each jurisdiction because they are based on working adults per household. Therefore, the jobs and housing factors for each jurisdiction never equal exactly 100%. Increasing the difference from the SHF and the countywide RHNA offsets the under allocation and ensures that these units are allocated based on the same individualized jobs/housing factor formula.
- 8) Section 3F is the countywide net RHNA determination to the individual jurisdiction.
- 9) Section 4F is the proportional Sustainable Housing factor supported by the SCS.
- 10) Section 5E is the sum of the portion of net RHNA (3E) and the Sustainable Housing Factor (4E).
- 11) Section 6E includes the results of any reconciliation needs across the family income limits based on the results of Table VII below.
- 12) Section 6F includes the sub total allocations by mandated family income limit categories.

Based on the adopted methodology, the following Table VI provides a preliminary RHNA allocation summary for each jurisdiction by family income limits:

**Table VI: Preliminary RHNA Allocation by Jurisdiction
(Prior to Reconciliation Step in Section 6E)**

Agency	Extremely Low (\$16,129 & Below)	Very Low (\$16,130 to \$26,882)	Low (\$26,883 to \$43,011)	Moderate (\$43,012 to \$64,517)	Above Moderate (\$64,518 & Above)	Total RHNA
Escalon	57	41	65	65	197	425
Lathrop	503	475	745	960	2,473	5,156
Lodi	233	244	325	334	795	1,931
Manteca	439	449	681	828	2,005	4,402
Ripon	147	148	211	232	742	1,480
Stockton	1,600	1,428	1,968	2,109	4,718	11,824
Tracy	490	450	692	831	2,513	4,976
SJ County	1,201	1,193	1,696	1,730	4,346	10,166
Total	4,670	4,428	6,383	7,089	17,789	40,360

The prescribed family income limit targets compared to the preliminary outcomes of the allocation methodology in Table VI are as follows:

Family Income Categories	Extremely low	Very low	Low	Moderate	Above moderate
State Mandated Outcomes	4,888	4,596	6,500	7,065	17,310
Allocation Outcomes	4,670	4,428	6,383	7,089	17,789
Differential	218 (Under)	169 (Under)	117 (Under)	25 (Over)	479 (Over)

To maintain consistency, the percentages representing each jurisdiction from the allocation formula are applied to the over and under amounts to balance the distribution across the family income limit controls totals prescribed by the state. The results of the reconciliation step is on the following Table VII:

**Table VII: RHNA Allocation Summary by Jurisdiction
(After Reconciliation)**

Agency	Extremely Low (\$16,129 & Below)	Very Low (\$16,130 to \$26,882)	Low (\$26,883 to \$43,011)	Moderate (\$43,012 to \$64,517)	Above Moderate (\$64,518 & Above)	Total RHNA
Escalon	60	43	66	64	192	425
Lathrop	526	493	759	957	2,421	5,156
Lodi	244	253	331	333	770	1,931
Manteca	459	466	693	825	1,958	4,401
Ripon	154	154	215	231	726	1,480
Stockton	1,675	1,482	2,004	2,103	4,560	11,824
Tracy	513	467	705	828	2,463	4,976
SJ County	1,257	1,239	1,727	1,724	4,220	10,167
Total	4,888	4,597	6,500	7,065	17,310	40,360
	12.1%	11.4%	16.1%	17.5%	42.9%	100.0%

RHNA INVENTORY and ABILITY TO TARGET ADDITIONAL HOUSING

As part of the methodology, all jurisdictions were provided the opportunity to review the factors found in CA Code 65584.04 to address any opportunities and constraints to development of additional housing in each member jurisdiction. In addition, all jurisdictions were asked to indicate if they were willing to accept a higher allocation than proposed in the draft allocation. The assessment resulted in no modifications to the final RHNA methodology as well as no additional opportunities to assume additional housing units above the draft allocation.

ATTACHMENT A

California Government Code sections 65584 through 65584.6

65584. (a) (1) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the department shall determine the existing and projected need for housing for each region pursuant to this article. For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing need shall include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county.

(2) While it is the intent of the Legislature that cities, counties, and cities and counties should undertake all necessary actions to encourage, promote, and facilitate the development of housing to accommodate the entire regional housing need, it is recognized, however, that future housing production may not equal the regional housing need established for planning purposes.

(b) The department, in consultation with each council of governments, shall determine each region's existing and projected housing need pursuant to Section 65584.01 at least two years prior to the scheduled revision required pursuant to Section 65588. The appropriate council of governments, or for cities and counties without a council of governments, the department, shall adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to the scheduled revision for the region required by Section 65588. The allocation plan prepared by a council of governments shall be prepared pursuant to Sections 65584.04 and 65584.05 with the advice of the department.

(c) Notwithstanding any other provision of law, the due dates for the determinations of the department or for the council of governments, respectively, regarding the regional housing need may be extended by the department by not more than 60 days if the extension will enable access to more recent critical population or housing data from a pending or recent release of the United States Census Bureau or the Department of Finance. If the due date for the determination of the department or the council of governments is extended for this reason, the department shall extend the corresponding housing element revision deadline pursuant to Section 65588 by not more than 60 days.

(d) The regional housing needs allocation plan shall be consistent with all of the following objectives:

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

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.

(3) Promoting an improved intraregional relationship between jobs and housing.

(4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent decennial United States census.

(e) For purposes of this section, "household income levels" are as determined by the department as of the most recent decennial census pursuant to the following code sections:

(1) Very low incomes as defined by Section 50105 of the Health and Safety Code.

(2) Lower incomes, as defined by Section 50079.5 of the Health and Safety Code.

(3) Moderate incomes, as defined by Section 50093 of the Health and Safety Code.

(4) Above moderate incomes are those exceeding the moderate-income level of Section 50093 of the Health and Safety Code.

(f) Notwithstanding any other provision of law, determinations made by the department, a council of governments, or a city or county pursuant to this section or Section 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, 65584.07, or 65584.08 are exempt from the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

65584.01. (a) For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(b) The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 3 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population growth projected by the council of governments and the total population growth projected for the region by the Department of Finance is greater than 3 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If no agreement is reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(c) (1) At least 26 months prior to the scheduled revision pursuant to Section 65588 and prior to developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(D) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs.

(E) Other characteristics of the composition of the projected

population.

(F) The relationship between jobs and housing, including any imbalance between jobs and housing.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (F), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments.

(d) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (c). The region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan. Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (b), and shall identify the population projection which the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (c). The objection shall include a proposed alternative determination of its regional housing need based upon the determinations made in subdivision (c), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (c).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

65584.02. (a) For the fourth and subsequent revisions of the housing element pursuant to Section 65588, the existing and projected need for housing may be determined for each region by the department as follows, as an alternative to the process pursuant to Section 65584.01:

(1) In a region in which at least one subregion has accepted delegated authority pursuant to Section 65584.03, the region's housing need shall be determined at least 26 months prior to the housing element update deadline pursuant to Section 65588. In a region in which no subregion has accepted delegation pursuant to Section 65584.03, the region's housing need shall be determined at

least 24 months prior to the housing element deadline.

(2) At least six months prior to the department's determination of regional housing need pursuant to paragraph (1), a council of governments may request the use of population and household forecast assumptions used in the regional transportation plan. This request shall include all of the following:

(A) Proposed data and assumptions for factors contributing to housing need beyond household growth identified in the forecast. These factors shall include allowance for vacant or replacement units, and may include other adjustment factors.

(B) A proposed planning period that is not longer than the period of time covered by the regional transportation improvement plan or plans of the region pursuant to Section 14527, but a period not less than five years, and not longer than six years.

(C) A comparison between the population and household assumptions used for the Regional Transportation Plan with population and household estimates and projections of the Department of Finance.

(b) The department shall consult with the council of governments regarding requests submitted pursuant to paragraph (2) of subdivision (a). The department may seek advice and consult with the Demographic Research Unit of the Department of Finance, the State Department of Transportation, a representative of a contiguous council of governments, and any other party as deemed necessary. The department may request that the council of governments revise data, assumptions, or methodology to be used for the determination of regional housing need, or may reject the request submitted pursuant to paragraph (2) of subdivision (a). Subsequent to consultation with the council of governments, the department will respond in writing to requests submitted pursuant to paragraph (1) of subdivision (a).

(c) If the council of governments does not submit a request pursuant to subdivision (a), or if the department rejects the request of the council of governments, the determination for the region shall be made pursuant to Sections 65584 and 65584.01.

65584.03. (a) At least 28 months prior to the scheduled housing element update required by Section 65588, at least two or more cities and a county, or counties, may form a subregional entity for the purpose of allocation of the subregion's existing and projected need for housing among its members in accordance with the allocation methodology established pursuant to Section 65584.04. The purpose of establishing a subregion shall be to recognize the community of interest and mutual challenges and opportunities for providing housing within a subregion. A subregion formed pursuant to this section may include a single county and each of the cities in that county or any other combination of geographically contiguous local governments and shall be approved by the adoption of a resolution by each of the local governments in the subregion as well as by the council of governments. All decisions of the subregion shall be approved by vote as provided for in rules adopted by the local governments comprising the subregion or shall be approved by vote of the county or counties, if any, and the majority of the cities with the majority of population within a county or counties.

(b) Upon formation of the subregional entity, the entity shall notify the council of governments of this formation. If the council of governments has not received notification from an eligible subregional entity at least 28 months prior to the scheduled housing element update required by Section 65588, the council of governments shall implement the provisions of Sections 65584 and 65584.04. The

delegate subregion and the council of governments shall enter into an agreement that sets forth the process, timing, and other terms and conditions of the delegation of responsibility by the council of governments to the subregion.

(c) At least 25 months prior to the scheduled revision, the council of governments shall determine the share of regional housing need assigned to each delegate subregion. The share or shares allocated to the delegate subregion or subregions by a council of governments shall be in a proportion consistent with the distribution of households assumed for the comparable time period of the applicable regional transportation plan. Prior to allocating the regional housing needs to any delegate subregion or subregions, the council of governments shall hold at least one public hearing, and may consider requests for revision of the proposed allocation to a subregion. If a proposed revision is rejected, the council of governments shall respond with a written explanation of why the proposed revised share has not been accepted.

(d) Each delegate subregion shall fully allocate its share of the regional housing need to local governments within its subregion. If a delegate subregion fails to complete the regional housing need allocation process among its member jurisdictions in a manner consistent with this article and with the delegation agreement between the subregion and the council of governments, the allocations to member jurisdictions shall be made by the council of governments.

65584.04. (a) At least two years prior to a scheduled revision required by Section 65588, each council of governments, or delegate subregion as applicable, shall develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, where applicable pursuant to this section. The methodology shall be consistent with the objectives listed in subdivision (d) of Section 65584.

(b) (1) No more than six months prior to the development of a proposed methodology for distributing the existing and projected housing need, each council of governments shall survey each of its member jurisdictions to request, at a minimum, information regarding the factors listed in subdivision (d) that will allow the development of a methodology based upon the factors established in subdivision (d).

(2) The council of governments shall seek to obtain the information in a manner and format that is comparable throughout the region and utilize readily available data to the extent possible.

(3) The information provided by a local government pursuant to this section shall be used, to the extent possible, by the council of governments, or delegate subregion as applicable, as source information for the methodology developed pursuant to this section. The survey shall state that none of the information received may be used as a basis for reducing the total housing need established for the region pursuant to Section 65584.01.

(4) If the council of governments fails to conduct a survey pursuant to this subdivision, a city, county, or city and county may submit information related to the items listed in subdivision (d) prior to the public comment period provided for in subdivision (c).

(c) Public participation and access shall be required in the development of the methodology and in the process of drafting and adoption of the allocation of the regional housing needs. Participation by organizations other than local jurisdictions and

councils of governments shall be solicited in a diligent effort to achieve public participation of all economic segments of the community. The proposed methodology, along with any relevant underlying data and assumptions, and an explanation of how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology, and how each of the factors listed in subdivision (d) is incorporated into the methodology, shall be distributed to all cities, counties, any subregions, and members of the public who have made a written request for the proposed methodology. The council of governments, or delegate subregion, as applicable, shall conduct at least one public hearing to receive oral and written comments on the proposed methodology.

(d) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship.

(2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:

(A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.

(B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.

(D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area.

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

(4) The market demand for housing.

(5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(6) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.

(7) High-housing cost burdens.

(8) The housing needs of farmworkers.

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

(10) Any other factors adopted by the council of governments.

(e) The council of governments, or delegate subregion, as applicable, shall explain in writing how each of the factors described in subdivision (d) was incorporated into the methodology and how the methodology is consistent with subdivision (d) of Section 65584. The methodology may include numerical weighting.

(f) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(g) In addition to the factors identified pursuant to subdivision (d), the council of governments, or delegate subregion, as applicable, shall identify any existing local, regional, or state incentives, such as a priority for funding or other incentives available to those local governments that are willing to accept a higher share than proposed in the draft allocation to those local governments by the council of governments or delegate subregion pursuant to Section 65584.05.

(h) Following the conclusion of the 60-day public comment period described in subdivision (c) on the proposed allocation methodology, and after making any revisions deemed appropriate by the council of governments, or delegate subregion, as applicable, as a result of comments received during the public comment period, each council of governments, or delegate subregion, as applicable, shall adopt a final regional, or subregional, housing need allocation methodology and provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion as applicable, and to the department.

(i) (1) It is the intent of the Legislature that housing planning be coordinated and integrated with the regional transportation plan. To achieve this goal, the allocation plan shall allocate housing units within the region consistent with the development pattern included in the sustainable communities strategy.

(2) The final allocation plan shall ensure that the total regional housing need, by income category, as determined under Section 65584, is maintained, and that each jurisdiction in the region receive an allocation of units for low- and very low income households.

(3) The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the sustainable communities strategy in the regional transportation plan.

65584.05. (a) At least one and one-half years prior to the scheduled revision required by Section 65588, each council of governments and delegate subregion, as applicable, shall distribute a draft allocation of regional housing needs to each local government in the region or subregion, where applicable, based on the methodology adopted pursuant to Section 65584.04. The draft allocation shall include the underlying data and methodology on which the allocation is based. It is the intent of the Legislature that the draft allocation should be distributed prior to the completion of the update of the applicable regional transportation plan. The draft allocation shall distribute to localities and subregions, if any, within the region the entire regional housing need determined

pursuant to Section 65584.01 or within subregions, as applicable, the subregion's entire share of the regional housing need determined pursuant to Section 65584.03.

(b) Within 60 days following receipt of the draft allocation, a local government may request from the council of governments or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in paragraphs (1) to (9), inclusive, of subdivision (d) of Section 65584.04, including any information submitted by the local government to the council of governments pursuant to subdivision (b) of that section. The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation.

(c) Within 60 days after the request submitted pursuant to subdivision (b), the council of governments or delegate subregion, as applicable, shall accept the proposed revision, modify its earlier determination, or indicate, based upon the information and methodology described in Section 65584.04, why the proposed revision is inconsistent with the regional housing need.

(d) If the council of governments or delegate subregion, as applicable, does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting party, the local government may appeal its draft allocation based upon either or both of the following criteria:

(1) The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04, or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The council of governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to Section 65584.04.

(e) The council of governments or delegate subregion, as applicable, shall conduct public hearings to hear all appeals within 60 days after the date established to file appeals. The local government shall be notified within 10 days by certified mail, return receipt requested, of at least one public hearing on its appeal. The date of the hearing shall be at least 30 days and not more than 35 days after the date of the notification. Before taking action on an appeal, the council of governments or delegate subregion, as applicable, shall consider all comments, recommendations, and available data based on accepted planning methodologies submitted by the appellant. The final action of the council of governments or delegate subregion, as applicable, on an appeal shall be in writing and shall include information and other evidence explaining how its action is consistent with this article. The final action on an appeal may require the council of governments or delegate subregion, as applicable, to adjust the allocation of a local government that is not the subject of an appeal.

(f) The council of governments or delegate subregion, as applicable, shall issue a proposed final allocation within 45 days after the completion of the 60-day period for hearing appeals. The proposed final allocation plan shall include responses to all comments received on the proposed draft allocation and reasons for any significant revisions included in the final allocation.

(g) In the proposed final allocation plan, the council of governments or delegate subregion, as applicable, shall adjust allocations to local governments based upon the results of the

revision request process and the appeals process specified in this section. If the adjustments total 7 percent or less of the regional housing need determined pursuant to Section 65584.01, or, as applicable, total 7 percent or less of the subregion's share of the regional housing need as determined pursuant to Section 65584.03, then the council of governments or delegate subregion, as applicable, shall distribute the adjustments proportionally to all local governments. If the adjustments total more than 7 percent of the regional housing need, then the council of governments or delegate subregion, as applicable, shall develop a methodology to distribute the amount greater than the 7 percent to local governments. In no event shall the total distribution of housing need equal less than the regional housing need, as determined pursuant to Section 65584.01, nor shall the subregional distribution of housing need equal less than its share of the regional housing need as determined pursuant to Section 65584.03. Two or more local governments may agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the council of governments shall include the alternative distribution in the final allocation plan.

(h) Within 45 days after the issuance of the proposed final allocation plan by the council of governments and each delegate subregion, as applicable, the council of governments shall hold a public hearing to adopt a final allocation plan. To the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01, the council of governments shall have final authority to determine the distribution of the region's existing and projected housing need as determined pursuant to Section 65584.01. The council of governments shall submit its final allocation plan to the department within three days of adoption. Within 60 days after the department's receipt of the final allocation plan adopted by the council of governments, the department shall determine whether or not the final allocation plan is consistent with the existing and projected housing need for the region, as determined pursuant to Section 65584.01. The department may revise the determination of the council of governments if necessary to obtain this consistency.

(i) Any authority of the council of governments to review and revise the share of a city or county of the regional housing need under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

65584.06. (a) For cities and counties without a council of governments, the department shall determine and distribute the existing and projected housing need, in accordance with Section 65584 and this section. If the department determines that a county or counties, supported by a resolution adopted by the board or boards of supervisors, and a majority of cities within the county or counties representing a majority of the population of the county or counties, possess the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the distribution of the regional housing need, the department shall delegate this responsibility to the cities and county or counties.

(b) The distribution of regional housing need shall, based upon available data and in consultation with the cities and counties, take

into consideration market demand for housing, the distribution of household growth within the county assumed in the regional transportation plan where applicable, employment opportunities and commuting patterns, the availability of suitable sites and public facilities, agreements between a county and cities in a county to direct growth toward incorporated areas of the county, or other considerations as may be requested by the affected cities or counties and agreed to by the department. As part of the allocation of the regional housing need, the department shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. Consideration of suitable housing sites or land suitable for urban development is not limited to existing zoning ordinances and land use restrictions of a locality, but shall include consideration of the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.

(c) Within 90 days following the department's determination of a draft distribution of the regional housing need to the cities and the county, a city or county may propose to revise the determination of its share of the regional housing need in accordance with criteria set forth in the draft distribution. The proposed revised share shall be based upon comparable data available for all affected jurisdictions, and accepted planning methodology, and shall be supported by adequate documentation.

(d) (1) Within 60 days after the end of the 90-day time period for the revision by the cities or county, the department shall accept the proposed revision, modify its earlier determination, or indicate why the proposed revision is inconsistent with the regional housing need.

(2) If the department does not accept the proposed revision, then, within 30 days, the city or county may request a public hearing to review the determination.

(3) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(4) The date of the hearing shall be at least 10 but not more than 15 days from the date of the notification.

(5) Before making its final determination, the department shall consider all comments received and shall include a written response to each request for revision received from a city or county.

(e) If the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the department grants a revised allocation pursuant to subdivision (d), the department shall ensure that the total regional housing need is maintained. The department's final determination shall be in writing and shall include information explaining how its action is consistent with this section. If the department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share that was originally determined by the department. The department, within its final determination, may adjust the allocation of a city or county that was not the subject of a request for revision of the draft distribution.

(f) The department shall issue a final regional housing need allocation for all cities and counties within 45 days of the completion of the local review period.

65584.07. (a) During the period between adoption of a final regional housing needs allocation and the due date of the housing element update under 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) (1) The county and cities that have executed transfers of regional housing needs pursuant to subdivision (a) shall use the revised regional housing need allocation in their housing elements and shall adopt their housing elements by the deadlines set forth in Section 65588.

(2) A city that has received a transfer of a regional housing need pursuant to subdivision (c) shall adopt or amend its housing element within 30 months of the effective date of incorporation.

(3) A county or city that has received a transfer of regional housing need pursuant to subdivision (d) shall amend its housing element within 180 days of the effective date of the transfer.

(4) A county or city is responsible for identifying sites to accommodate its revised regional housing need by the deadlines set forth in paragraphs (1), (2), and (3).

(5) 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) (1) If an incorporation of a new city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under Section 65584.03, 65584.04, 65584.06, or 65584.08, a portion of the county's allocation shall be transferred to the new city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented

by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the new city.

(2) Within 90 days after the date of incorporation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, or to the department, whichever allocated the county's share. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. A copy of a written transfer request submitted to the council of governments shall be submitted to the department. The council of governments, subregional entity, or the department, whichever allocated the county's share, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.04 or 65584.08. If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.03. If the department allocated the county's share, the transfer shall be based on the considerations specified in Section 65584.06. The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(d) (1) If an annexation of unincorporated land to a city occurs after the council of governments, subregional entity, or the department for areas with no council of governments, has made its final allocation under Section 65584.03, 65584.04, 65584.06, or 65584.08, a portion of the county's allocation may be transferred to the city. The city and county may reach a mutually acceptable agreement for transfer of a portion of the county's allocation to the city, which shall be accepted by the council of governments, subregional entity, or the department, whichever allocated the county's share. If the affected parties cannot reach a mutually acceptable agreement, then either party may submit a written request to the council of governments, subregional entity, or to the department for areas with no council of governments, to consider the facts, data, and methodology presented by both parties and determine the number of units, by income category, that should be transferred from the county's allocation to the city.

(2) (A) Except as provided under subparagraph (B), within 90 days after the date of annexation, either the transfer, by income category, agreed upon by the city and county, or a written request for a transfer, shall be submitted to the council of governments, subregional entity, and to the department. A mutually acceptable transfer agreement shall be effective immediately upon receipt by the council of governments, the subregional entity, or the department. The council of governments, subregional entity, or the department for areas with no council of governments, shall make the transfer effective within 180 days after receipt of the written request. If the council of governments allocated the county's share, the transfer shall be based on the methodology adopted pursuant to Section 65584.04 or 65584.08. If the subregional entity allocated the subregion's share, the transfer shall be based on the methodology

adopted pursuant to Section 65584.03. If the department allocated the county's share, the transfer shall be based on the considerations specified in Section 65584.06. The transfer shall neither reduce the total regional housing needs nor change the regional housing needs allocated to other cities by the council of governments, subregional entity, or the department for areas with no council of governments. A copy of the transfer finalized by the council of governments or subregional entity shall be submitted to the department. The council of governments, the subregional entity, or the department, as appropriate, may extend the 90-day deadline if it determines an extension is consistent with the objectives of this article.

(B) If the annexed land is subject to a development agreement authorized under subdivision (b) of Section 65865 that was entered into by a city and a landowner prior to January 1, 2008, the revised determination shall be based upon the number of units allowed by the development agreement.

(3) A transfer shall not be made when the council of governments or the department, as applicable, confirms that the annexed land was fully incorporated into the methodology used to allocate the city's share of the regional housing needs.

65584.08. (a) For the purposes of this section the "association" is the Southern California Association of Governments.

(b) For the fourth revision of the housing element pursuant to Section 65588 within the region of the association, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(c) The existing and projected housing need for the region shall be determined in the following manner:

(1) The association shall develop an integrated long-term growth forecast by five-year increments. The growth forecast is not a regional housing needs allocation plan.

(2) The forecast shall consist of the following three major variables by geographic area throughout the region:

(A) Population.

(B) Employment.

(C) Households.

(3) The association shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates, by weighing vacancy rates of for-sale and for-rent units.

(4) The association shall transmit the forecast to the department with the following variables:

(A) Population.

(B) Employment.

(C) Households.

(D) Housing units.

(E) Household formation ratios.

(F) Replacement rates.

(G) Owner and renter vacancy rates.

(5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) of, and with subdivision (d) of, Section 65584.01.

(d) The association shall conduct a public workshop for the purpose of surveying its member jurisdictions pursuant to subdivision

(b) of Section 65584.04. Not less than 30 days prior to the date of commencement of the public workshop, the association shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for consideration by the association and incorporation into the discussion of the methodology at the workshop.

(e) The association shall delegate development of the housing need allocation plan to the subregional entities, if the association and the subregional entities agree in writing to that delegation and the association ensures that the total regional housing need, by income category, is maintained.

(f) The association shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the methodology, including the factors, by which housing needs are proposed to be allocated to subregions, or, in the absence of a subregion, to individual jurisdictions. The workshops shall also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the association on local conditions and factors. Following the workshops, and concurrent with the adoption of its draft housing allocation plan, the association shall describe the following:

(1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.

(2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.

(3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.

(g) Following the adoption of the draft housing allocation plan, a local government may request from the association or the delegate subregion, as applicable, a revision of its share of the regional housing need in accordance with the factors described in subdivision (d) of Section 65584.04, including any information submitted by the local government pursuant to subdivision (d). The request for a revised share shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and shall be supported by adequate documentation. The association or delegate subregion, as applicable, shall establish a timeline for accepting and reviewing revision requests. However, revision requests shall not be accepted after the deadline for filing an appeal pursuant to subdivision (i). The association or delegate subregion shall respond to the request in writing no later than the close of the appeal process, and shall describe the rationale for its decision.

(h) Both the methodology and allocation process shall consider the factors listed under subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The association shall complete the final housing need allocation plan on or before June 30, 2007. It is the intent of the Legislature that the housing element update deadlines, as required under Section 65588, and as modified by the department under paragraph (2) of subdivision (a) of Section 65584.02, will not be extended. The association shall submit a report to the Legislature on or before March 30, 2007, describing the progress it has made in completing the final need allocation plan.

(i) A city or county may file one appeal of its draft allocation to the association, or a delegate subregion, pursuant to subdivision

(e) of Section 65584.05, based upon any of the following criteria:

(1) The association or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (d), or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that subdivision.

(2) The association or delegate subregion, as applicable, failed to determine the local government's share of the regional housing need in accordance with the information described in, and the methodology established pursuant to subdivision (f).

(j) A city or county shall not be allowed to file more than one appeal under subdivision (i), and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(k) The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

(1) The final allocation plan adopted by the association shall ensure that the total regional housing need, by income category, as determined under subdivision (c), is maintained. The resolution adopted by the association approving the final housing need allocation plan shall show how the plan:

(1) Is consistent with the objectives of this section and article.

(2) Is consistent with the pending update of the regional transportation plan.

(3) Takes into account the information provided to the association by its member jurisdictions and members of the public pursuant to subdivisions (d) and (f). (m) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

65584.09. (a) For housing elements due pursuant to Section 65588 on or after January 1, 2006, if a city or county in the prior planning period failed to identify or make available adequate sites to accommodate that portion of the regional housing need allocated pursuant to Section 65584, then the city or county shall, within the first year of the planning period of the new housing element, zone or rezone adequate sites to accommodate the unaccommodated portion of the regional housing need allocation from the prior planning period.

(b) The requirements under subdivision (a) shall be in addition to any zoning or rezoning required to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584 for the new planning period.

(c) Nothing in this section shall be construed to diminish the requirement of a city or county to accommodate its share of the regional housing need for each income level during the planning period set forth in Section 65588, including the obligations to (1) implement programs included pursuant to Section 65583 to achieve the goals and objectives, including programs to zone or rezone land, and (2) timely adopt a housing element with an inventory described in paragraph (3) of subdivision (a) of Section 65583 and a program to make sites available pursuant to paragraph (1) of subdivision (c) of Section 65583, which can accommodate the jurisdiction's share of the regional housing need.

65584.1. Councils of government may charge a fee to local governments to cover the projected reasonable, actual costs of the

council in distributing regional housing needs pursuant to this article. Any fee shall not exceed the estimated amount required to implement its obligations pursuant to Sections 65584, 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, and 65584.07. A city, county, or city and county may charge a fee, not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments, to reimburse it for the cost of the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of the city, county, or city and county shall impose the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee.

65584.2. A local government may, but is not required to, conduct a review or appeal regarding allocation data provided by the department or the council of governments pertaining the locality's share of the regional housing need or the submittal of data or information for a proposed allocation, as permitted by this article.

65584.3. (a) A city that is incorporated to promote commerce and industry, that is located in the County of Los Angeles, and that has no residentially zoned land within its boundaries on January 1, 1992, may elect to adopt a housing element that makes no provision for new housing or the share of regional housing needs as determined pursuant to Section 65584 for the current and subsequent revisions of the housing element pursuant to Section 65588, for the period of time that 20 percent of all tax increment revenue accruing from all redevelopment projects, and required to be set aside for low- and moderate-income housing pursuant to Section 33334.2 of the Health and Safety Code, is annually transferred to the Housing Authority of the County of Los Angeles.

(b) (1) The amount of tax increment to be transferred each year pursuant to subdivision (a) shall be determined at the end of each fiscal year, commencing with the 1992-93 fiscal year. This amount shall be transferred within 30 days of the agency receiving each installment of its allocation of tax increment moneys, commencing in 1993.

(2) On or before December 31, 1992, the agency shall make an additional payment to the Housing Authority of the County of Los Angeles that eliminates any indebtedness to the low- and moderate-income housing fund pursuant to Section 33334.3. This amount shall be reduced by any amount actually expended by the redevelopment agency for principal or interest payments on agency bonds issued prior to the effective date of the act that adds this section, when that portion of the agency's tax increment revenue representing the low- and moderate-income housing set-aside funds was lawfully pledged as security for the bonds, and only to the extent that other tax increment revenue in excess of the 20-percent low- and moderate-income set-aside funds is insufficient in that fiscal year to meet in full the principal and interest payments.

(c) The Department of Housing and Community Development shall annually review the calculation and determination of the amount transferred pursuant to subdivisions (a) and (b). The department may conduct an audit of these funds if and when the Director of Housing and Community Development deems an audit appropriate.

(d) The amount transferred pursuant to subdivisions (a) and (b) shall fulfill the obligation of that city's redevelopment agency to provide for housing for low- and moderate-income families and individuals pursuant to Sections 33334.2 to 33334.16, inclusive, of the Health and Safety Code. The use of these funds for low- and moderate-income families in the region of the Southern California Association of Governments within which the city is located shall be deemed to be of benefit to the city's redevelopment project areas.

(e) (1) The amount transferred pursuant to subdivisions (a) and (b) to the Housing Authority of the County of Los Angeles shall be expended to provide housing and assistance, including, but not limited to, that specified in subdivision (e) of Section 33334.2 of the Health and Safety Code for low- and moderate-income families and individuals, in the region of the Southern California Association of Governments within which the city is located.

(2) Funds expended pursuant to this subdivision shall be expended in accordance with all of the following:

(A) The funds shall be expended for the construction of low- and moderate-income housing located no further than 15 miles from the nearest boundary line of the City of Industry.

(B) The low- and moderate-income housing constructed pursuant to this subdivision shall be in addition to any other housing required by the housing element of the general plan of the jurisdiction in which the low- and moderate-income housing is constructed.

(C) Funds may be encumbered by the Housing Authority of the County of Los Angeles for the purposes of this subdivision only after the authority has prepared a written plan for the expenditure of funds to be transferred to the authority pursuant to this subdivision and has filed a copy of this expenditure plan with the Department of Housing and Community Development.

(f) A city that meets the conditions specified in subdivision (d) shall continue to have responsibility for preparing a housing element pursuant to Section 65583 only to the extent to which the assessment of housing needs, statement of goals and objectives, and the five-year schedule of actions relate to the city's plan to maintain, preserve, and improve the housing that exists in the city on the effective date of the act which adds this section.

(g) This section shall not become operative unless and until a parcel of land, to be dedicated for the construction of a high school, is transferred pursuant to a written agreement between the City of Industry and the Pomona Unified School District, and a copy of this agreement is filed with the County Clerk of the County of Los Angeles.

65584.6. (a) The County of Napa may, during its current housing element planning period, identified in Section 65588, meet up to 15 percent of its existing share of the regional housing need for lower income households, as defined in Section 65584, by committing funds for the purpose of constructing affordable housing units, and constructing those units in one or more cities within the county, only after all of the following conditions are met:

(1) An agreement has been executed between the county and the receiving city or cities, following a public hearing held by the county and the receiving city or cities to solicit public comments on the draft agreement. The agreement shall contain information sufficient to demonstrate that the county and city or cities have complied with the requirements of this section and shall also include the following:

(A) A plan and schedule for timely construction of dwelling units.
(B) Site identification by street address for the units to be developed.

(C) A statement either that the sites upon which the units will be developed were identified in the receiving city's housing element as potential sites for the development of housing for lower-income households, or that the units will be developed on previously unidentified sites.

(D) The number and percentage of the county's lower-income housing needs previously transferred, for the appropriate planning period, pursuant to this section.

(2) The council of governments that assigned the county's share receives and approves each proposed agreement to meet a portion of the county's fair share housing allocation within one or more of the cities within the county after taking into consideration the criteria of subdivision (a) of Section 65584. If the council of governments fails to take action to approve or disapprove an agreement between the county and the receiving city or cities within 45 days following the receipt of the agreement, the agreement shall be deemed approved.

(3) The city or cities in which the units are developed agree not to count the units towards their share of the region's affordable housing need.

(4) The county and the receiving city or cities, based on substantial evidence on the record, make the following findings:

(A) Adequate sites with appropriate zoning exist in the receiving city or cities to accommodate the units to be developed pursuant to this section. The agreement shall demonstrate that the city or cities have identified sufficient vacant or underutilized or vacant and underutilized sites in their housing elements to meet their existing share of regional housing need, as allocated by the council of governments pursuant to subdivision (a) of Section 65584, in addition to the sites needed to construct the units pursuant to this section.

(B) If needed, additional subsidy or financing for the construction of the units is available.

(C) The receiving city or cities have housing elements that have been found by the Department of Housing and Community Development to be in compliance with this article.

(5) If the sites upon which units are to be developed pursuant to this section were previously identified in the receiving city's housing element as potential sites for the development of housing sufficient to accommodate the receiving city's share of the lower income household need identified in its housing element, then the receiving city shall have amended its housing element to identify replacement sites by street address for housing for lower-income households. Additionally, the Department of Housing and Community Development shall have received and reviewed the amendment and found that the city's housing element continues to comply with this article.

(6) The county and receiving city or cities shall have completed, and provided to the department, the annual report required by subdivision (b) of Section 65400.

(7) For a period of five years after a transfer occurs, the report required by subdivision (b) of Section 65400 shall include information on the status of transferred units, implementation of the terms and conditions of the transfer agreement, and information on any dwelling units actually constructed, including the number, type, location, and affordability requirements.

(8) The receiving city demonstrates that it has met, in the current or previous housing element cycle, at least 20 percent of its share of the regional need for housing for very low-income

households allocated to the city pursuant to Section 65584.

(b) The credit that the county receives pursuant to this section shall not exceed 40 percent of the number of units that are affordable to lower income households and constructed and occupied during the same housing element cycle in unincorporated areas of the county. The county shall only receive the credit after the units have been constructed and occupied. Within 60 days of issuance of a certificate of occupancy for the units, the county shall inform the council of governments and the department in writing that a certificate of occupancy has been issued.

(c) Concurrent with the review by the council of governments prescribed by this section, the Department of Housing and Community Development shall evaluate the agreement to determine whether the city or cities are in substantial compliance with this section. The department shall report the results of its evaluation to the county and city or cities for inclusion in their record of compliance with this section.

(d) If at the end of the five-year period identified in subdivision (c) of Section 65583, any percentage of the regional share allocation has not been constructed as provided pursuant to subdivision (a), or, after consultation with the department, the council of governments determines that the requirements of paragraphs (5) and (7) of subdivision (a) have not been substantially complied with, the council of governments shall add the unbuilt units to Napa County's regional share allocation for the planning period of the next periodic update of the housing element.

(e) Napa County shall not meet a percentage of its share of the regional share pursuant to subdivision (a) on or after June 30, 2007, unless a later enacted statute, that is enacted before June 30, 2007, deletes or extends that date.

ATTACHMENT B

HCD Determination Letter

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Ave
Sacramento, CA 95833-1829
916) 263-2911 FAX: (916) 263-7453
www.hcd.ca.gov



December 30, 2013

Mr. Andrew T. Chesley
Executive Director
San Joaquin County Council of Governments
555 E. Weber Ave.
Stockton, CA 95202-2804

Dear Mr. Chesley,

RE: 5th Cycle Regional Housing Need Determination for Housing Element Updates

This letter provides the San Joaquin Council of Governments (SJCOG) its 5th cycle regional housing need assessment (RHNA) determination for the projection period January 1, 2014 through December 31, 2023. The Department of Housing and Community Development (Department) is required to determine SJCOG's existing and projected housing need pursuant to State housing law, Government Code (GC) Section 65584, et. seq..

As you know, Senate Bill 375 (Chapter 728, Statutes of 2008) further strengthened the existing coordination of regional housing and transportation planning. Metropolitan Planning Organizations (MPOs) are now required to develop and incorporate a new sustainable community strategy (SCS) in their Regional Transportation Plans (RTP) to achieve greenhouse gas emission reductions and accommodate the region's housing need. SB 375 amended the RHNA schedule and methodology requiring the due date for local governments to update their housing elements be no later than 18 months from the date SJCOG adopts the RTP.

The Department has prepared SJCOG's RHNA determination based on SJCOG's estimated RTP adoption date of June 26, 2014. Please note that in the event the RTP is adopted on a different date, the RHNA and projection period will not change, but the housing element planning period and element due date will change accordingly. The Department must be notified of any change to the RTP adoption date and will reflect RTP adoption date changes on its website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/web_he_duedate.pdf.

For your information, GC 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 (Attachment 1). An objection and proposed alternative must be based on demographic and methodology factors set forth in the statute.

The Department determined SJCOG's regional housing need to be 40,360 for the 10-year projection period, from January 1, 2014 to December 31, 2023. In assessing SJCOG's regional housing need, the Department considered the critical role housing plays in developing sustainable communities and supporting employment growth.

The Department further considered SJCOG's growth forecast, socio-economic base and potential for household formation trends to generate housing demand at a changing pace. Consideration was also given to the extraordinary uncertainty regarding national, State, local economies and housing markets. As a result, for this RHNA cycle only, the Department made an adjustment to account for abnormal vacancies and unique market conditions due to prolonged recessionary conditions, high unemployment, and unprecedented foreclosures.

The Department and representatives of SJCOG completed the consultation process specified in statute through correspondence, meetings and conference calls conducted between February and December 2013. The Department appreciates the assistance provided throughout the consultation process by SJCOG representatives which included Mr. Michael Swearingen, Senior Regional Planner, and Ms. Kim Anderson, Associate Regional Planner. The Department also received assistance from Mr. Walter Schwarm, demographics expert with the Department of Finance's Demographic Research Unit.

In completing SJCOG's RHNA, the Department applied methodology and assumptions regarding the following factors (GC Section 65584.01(c)(1)):

- anticipated household growth associated with projected population increases;
- household size data and trends in household size;
- rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures;
- vacancy rates in existing housing stock, and for healthy housing market functioning and regional mobility, as well as housing replacement needs;
- other characteristics of the composition of the projected population; and
- relationship and any imbalance between jobs and housing.

Data, assumptions, and draft forecasts of population, employment and housing provided by SJCOG in regards to the above factors were considered. Assumptions made about the rate with which existing vacant "for sale" and "for rent" housing units may be absorbed for occupancy by the start of the projection period in 2014 was determined based on consultation with SJCOG.

Attachments 1 and 2 to this letter describe details of the Department's methodology and RHNA income category for SJCOG to distribute the 40,360 regional housing unit need among all its local governments. Each locality must receive a RHNA share of very-low and low-income units. The distribution of RHNA for lower income, moderate-income, and above-moderate income categories in the aggregate cannot be less than the total for each of these income categories shown in Attachment 1.

Upon receipt of the Department's final RHNA determination, SJCOG is responsible for developing a RHNA distribution methodology and adopting a RHNA Plan for the projection period of January 1, 2014 through December 31, 2023. The RHNA represents the *minimum* amount of residential development capacity all jurisdictions must plan to accommodate through zoning and appropriate planning strategies. RHNA is not to be used within local general plans as a maximum amount or cap of residential development to plan for or approve.

Mr. Andrew T. Chelsey
Page 3

Housing element law (GC Section 65584, et. seq.) requires SJCOG's methodology and RHNA Plan to be consistent with the following objectives:

- increasing the housing supply and mix of housing types, tenure, and affordability;
- promoting infill development and socio-economic equity, protecting environmental and agricultural resources, and encouraging efficient development patterns;
- promoting an improved intraregional relationship between jobs and housing; and
- balancing the distribution of households by income category.

Pursuant to GC Section 65584.05(h), SJCOG is required to submit its RHNA Plan to the Department for approval within three days of adopting the RHNA Plan. Upon approval by the Department of the RHNA Plan, SJCOG is to distribute to all its local government members their income category shares of new housing needs to be addressed in their housing element updates covering the 2015 - 2023 planning period.

When updating their housing elements, local governments may only take RHNA credit for units approved (entitled or permitted) since the January 1, 2014 start date of the RHNA projection period. Localities are also required to describe how units were credited to different income categories based on actual or projected sale price or rent level data. Any city planning to accommodate a portion of RHNA on sites within its Sphere of Influence (SOI) needs to include an annexation program in the housing element. The annexation program needs to demonstrate SOI sites can be annexed early enough in the planning period to make adequate sites available to avoid other rezoning pursuant to GC sections 65583(c)(1)(A), and 65583(f).

Regarding transfers of housing need among local governments, AB 242 (Chapter 11, Statutes of 2008) amended provisions of GC Section 65584.07. RHNA transfers agreed between local governments may occur until adoption of the RHNA Plan. Once SJCOG has adopted its RHNA Plan, RHNA transfers meeting specified conditions may only occur from the county to cities within the county. Transfers after the due date of the housing element are restricted to annexations and incorporations and must be completed within specified timeframes. The numbers of units by income to be transferred are determined either based on mutual agreement between affected local governments, or, when no agreement is reached, by the entity responsible for allocating housing need (SJCOG). The Department must be notified of all transfers; jurisdictions affected by RHNA transfers must amend their housing element within the timeframe specified in the statute.

The Department commends SJCOG's efforts to meet the objectives of SB 375 and especially appreciates the assistance provided by Mr. Michael Swearingen and Ms. Kim Anderson. We look forward to a continued partnership with SJCOG and its member jurisdictions in planning efforts to accommodate the region's housing need. If you need assistance or have any question, please contact me or Anda Draghici, Housing Policy Senior Specialist, at (916) 263-2911.

Sincerely,



Glen A. Campora
Assistant Deputy Director

Enclosures

ATTACHMENT 1

**HCD REGIONAL HOUSING NEED DETERMINATION: SJCOG
Projection Period: January 1, 2014 through December 31, 2023**

Income Category	Percent	Regional Housing Need (rounded) ⁽¹⁾
Very-Low	23.5%	9,485
Low	16.1%	6,500
Moderate	17.5%	7,065
Above-Moderate	42.9%	17,310
Total	100.0% ⁽²⁾	40,360 ⁽³⁾

(1) The statutory objective regarding RHNA requires HCD, in consultation with Department of Finance (DOF) and councils of governments (COGs), to determine projected household growth and housing need based on DOF population projections and COG regional population forecasts and requires regional and local jurisdictions to plan to accommodate capacity for all of the projected RHNA. The Legislature recognizes that different assumptions and variances in methodologies can be used that can result in different population projections. Projection of housing need developed by DOF and HCD for RHNA purposes does not consider local government constraints.

For this RHNA cycle only (due to unique conditions not expected to recur to impact future RHNA cycles), the housing need was adjusted downward to account for an estimated 20 percent absorption level of unprecedented high vacancies in existing stock due to extraordinary conditions including high foreclosures and economic uncertainties.

(2) The income category percentages reflect the minimum percentage to apply against the total RHNA decided by SJCOG in determining housing need for very-low, low, and moderate income households. Each category is defined by Health and Safety Code (Section 50093, et seq.). Percentages are derived from the 2007-2011 American Community Survey's number of households by income, over 12 month periods. Housing unit need under each income category is derived from multiplying the portion of households per income category against the total RHNA determination.

(3) The 40,360 allocation (see Attachment 2) reflects SJCOG's projected minimum housing need (rounded) and an adjustment (-7,109) for existing excess vacant units in estimating 80% of vacant units will not be absorbed before 2014. This column represents the minimum housing need that SJCOG's RHNA Plan must address in total and also for very-low, low, and moderate income categories.

Based on the region's estimated RTP adoption date of June 26, 2014 (subject to change):

5th Update of the Housing Element Due Date:

December 31, 2015

**ATTACHMENT 2
HCD REGIONAL HOUSING NEED DETERMINATION: San Joaquin COG**

1	Population: December 31, 2023 (based on SJ COG Population Projection within 3% of DOF's)			851,483
2	<i>less: Group Quarters Population based on projected DOF</i>			17,632
3	Household (HH) Population -December 31, 2023			833,851
	Household Formation Groups	SJ Projected HH Population	HH Formation or Headship Rate	December 2023 Households
	All Age Groups (DOF)	833,851		277,514
	Under 15	183,665	0	0
	15 - 24 years	122,980	8.26%	10,153
	25 - 34 years	124,215	39.64%	49,244
	35 - 44 years	101,440	49.82%	50,535
	45 - 54 years	94,532	53.49%	50,561
	55 - 64 years	91,300	55.34%	50,530
	65 -74 years	69,613	55.92%	38,927
	75 - 84 years	34,593	59.30%	20,515
	84+	11,512	61.23%	7,049
4	Projected Households-December 31, 2023			277,514
5	<i>less: Households at Beginning of Projection Period (January, 2014, DOF Projected)</i>			231,547
6	Household Growth: 10 Year Projection Period			45,968
7	Vacancy Allowance	Owner	Renter	Total
	Tenure Percentage per 2010 Census	59.19%	40.81%	
	HH Growth by Tenure	27,210	18,758	45,968
	Healthy Vacancy Rate	1.50%	4.00%	
	Vacancy Allowance	408	750	1,158
8	Replacement Allowance (minimum)	0.72%		47,126
				47,470
9	<i>less: Adjustment for Absorption of Existing Excess Vacant Units</i>			
	Estimate 20% Absorbed, 80% Not Absorbed by 2014	Effective Vacant Units	Healthy Market Units	Differential
	Derived 2012 (using 2010 Census, HH Growth, & Vacan	(11,457)	5,650	-5807
	Total 2012 Housing Stock	234,992		
	Existing Vacant Unit (Others) Adjustment	2.33%	1.02%	
	Total Adjusted Existing Vacant Units (Others)	5,472	2,393	-3,079
	Estimated Total Vacant Units Not Absorbed by 2014	80%		-7,109
	San Joaquin COG FINAL REGIONAL HOUSING NEED DETERMINATION			40,360

- 2023 Population:** Pursuant to Government Code Section 65584.01(b), and in consultation with SJCOG, the Department used SJCOG's December 31, 2023 population projections which was within 3% of the Population Projections provided by the Department of Finance Population Projections for December 2023.
- Group Quarter Population:** Figure is an estimate of persons residing either in a group home, institution, military, or dormitory using the 2010 Census proportion of group quarters in total population. As this population doesn't constitute a "household" population generating demand for a housing unit, the group quarter population is excluded from the calculation of the household population, and is not included in the housing need.
- 2023 Household (HH) Population:** The portion of population projected to reside in housing units after subtracting the group quarter population from total projected population. The composition by race/ethnicity for the household population was calculated as an average between DOF's and San Joaquin COG's (provided by the University of Pacific) population projections' race/ethnicity compositions, as provided by the University of Pacific projections.
- Projected 2023 Households (HHs):** The December 2023 number of households is derived by applying (to 2023 HH population by age and race/ethnicity) household formation rates as provided by DOF using the 2010 Census. HH formation or headship rates reflect the propensity of different population groups (age, racial and ethnic) to form households.

ATTACHMENT 2
HCD REGIONAL HOUSING NEED DETERMINATION: San Joaquin COG

- 5 **Households at Beginning of Projection Period:** The baseline number of households at the beginning of the projection period (January 2014) must be projected, as a direct effect of amendment to Section 65588(e)(6) specifying the new projection period to start on either June 30 or December 31 whichever date most closely precedes the end of the current housing element period. As such, the 2014 household number reflects the January 1, 2014 DOF-projected number of households.
- 6 **Household (HH) Growth:** This figure reflects projected HH growth and need for (occupied) new units.
- 7 **Vacancy Allowance:** An allowance (unit increase) is made to facilitate availability and mobility among owner and renter units. Owner/Renter % is based on Census 2010 data. A smaller rate is applied to owner units due to less frequent mobility than for renter households. Information from a variety of authoritative sources supports an acceptable range of 1 to 4% for owner units and 4 to 8% for renter units depending on market conditions.
- 8 **Replacement Allowance:** Rate (0.72%) reflects the housing losses that localities annually reported to DOF each January for years 2001-2010.
- 9 **Adjustment for Absorption of Existing Excess Vacant Units:** For this RHNA cycle only (due to extraordinary uncertainty regarding conditions impacting the economy and housing market not expected to similarly impact future RHNA cycles), a new one-time adjustment was made to account for unprecedented high vacancies in existing stock due to unusual conditions including high foreclosures and economic uncertainties. An absorption rate of 20% of existing excess vacant units is assumed to occur in shrinking current excess vacant units before the start of the 2014 RHNA projection period. This results in applying a 80% adjustment to account for units not absorbed, reflected in a downward adjustment of (- 7,109). Existing housing stock consists of two components: (1) housing units for sale and rent in existing housing stock that are above the housing units required to maintain the healthy market condition, calculated as the number of units in housing stock (for sale + for rent + sold, not occupied+rented, not occupied + occupied units), (2) housing units in the "vacant units others" category of existing housing stock above the "normal" rate considered to be at the level of 2000, at 1.02% of total housing units, as provided by the 2000 Census. The Department used 2010 Census Demographic profile data (DP-1) and desirable "normal" vacancy rates by tenure, in conjunction with the region's household growth and proposed household formation rates. The vacancy adjustment is limited to not exceed the differential between the 2010 Census vacant units and the healthy market vacant units rate associated with the region's annual household growth. As the adjustment was below the differential, the adjustment was applied in calculating the RHNA determination.

RHNA Projection Period January 1, 2014 to December 31, 2023: Pursuant to SB 375, the start of the *projection* period (in effect January 1, 2014) was determined pursuant to GC 65588(e)(6), which requires the new projection period to start on June 30 or December 31 that most closely precedes the end of the current housing element period, which for San Joaquin County region is June 30, 2014. The end of the projection period was determined pursuant to GC 65588(e)(5) to be the end of the housing element planning period. *Note: For projection purposes the end of the projection period is rounded to the end of the month.*

Housing Element Planning Period December 31, 2015 to December 31, 2023: Pursuant to SB 375, the start of the *planning* period was determined pursuant to GC 65588(e)(5), 18 months from the estimated adoption date of SJCOG's Regional Transportation Plan, as notified to HCD, with the date rounded to the end of month for projection purposes. The end of the planning period was calculated pursuant to GC 65588(e)(3)(A), 18 months after the adoption of the second RTP, provided that it is not later than eight years from the adoption of the previous housing element. If the actual RTP adoption date differs from the estimated date of June 26, 2014, the RHNA determination and the projection period will not change, however the housing element due date, and implicitly, the housing element planning period would change accordingly.

ATTACHMENT C

Notices of Public Hearing

Public Hearing Notice

Regional Housing Needs Assessment (RHNA) Proposed Allocation Methodology Conducted pursuant to CA Government Code Section 65584.04

When: Wednesday, February 26, 2014 from (12:00 p.m. to 1:00 p.m.) & (5:30 p.m. to 6:30 p.m.)

Where: San Joaquin Council of Governments (SCOG) Board Room, 555 E Weber Avenue,
Stockton, CA 95202

Contact: M. A. Swearingen, Senior Regional Planner at 209-235-1091

Per California Government Code Section 65584.04, this Public Notice is hereby given to announce that the San Joaquin Council of Governments (SJCOG) will be conducting two (2) public hearing regarding the proposed draft of the Regional Housing Needs Assessment (RHNA) Allocation Methodology, at the date, time, and location identified above.

The public hearing serves as an opportunity for any member of the public to provide comments or testimony regarding SJCOG's proposed RHNA allocation methodology relating to the Fifth Cycle of RHNA. The outcomes of the RHNA allocation will be the basis of the RHNA Plan as required by the State in order for local jurisdictions to prepare updated General Plan Housing Elements.

The draft RHNA Allocation Methodology can be accessed at:

<http://www.sjcog.org/index.aspx?NID=113>

The San Joaquin Council of Governments is in compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. # 12132) and the Ralph Brown Act (California Government Code # 54954.2) and will make all reasonable accommodations for the disabled to participate in employment, programs and facilities. Person(s) requiring assistance or auxiliary aid in order to participate or persons wishing to store their bicycle safely during the meeting should contact Rebecca Calija at 235-0600 at least 24 hours prior to the meeting.

Public Hearing Notice

Regional Housing Needs Plan (RHNP) Proposed Final Draft Conducted pursuant to CA Government Code Section 65584.05

When: Monday, August 18, 2014 from (10:00 a.m. to 11:00 a.m.) & (6:00 p.m. to 7:00 p.m.)

Where: San Joaquin Council of Governments (SCOG) Board Room, 555 E Weber Avenue,
Stockton, CA 95202

Contact: Kim Anderson, Senior Regional Planner at 209-235-0565 or anderson@sjcog.org

Per California Government Code Section 65584.05, this Public Notice is hereby given to announce that the San Joaquin Council of Governments (SJCOCG) will be conducting two (2) public hearing regarding the proposed final draft of the Regional Housing Needs Allocation Plan (RHNP), at the date, time, and location identified above.

The public hearing serves as an opportunity for any member of the public to provide comments or testimony regarding SJCOCG's proposed final RHNP for the time period 2014-2023. The RHNP is based on the previously reviewed and approved Regional Housing Needs Allocation (RHNA) methodology. The 2014-2023 RHNP is required by the State in order for local jurisdictions to prepare updated General Plan Housing Elements.

The 2014-2023 Regional Housing Needs Plan may be accessed at the following link:

<http://www.sjcog.org/DocumentCenter/View/787>.

The San Joaquin Council of Governments is in compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. # 12132) and the Ralph Brown Act (California Government Code # 54954.2) and will make all reasonable accommodations for the disabled to participate in employment, programs and facilities. Person(s) requiring assistance or auxiliary aid in order to participate or persons wishing to store their bicycle safely during the meeting should contact Rebecca Calija at 235-0600 at least 24 hours prior to the meeting.

ATTACHMENT D

Methodology Comment Letter



CALIFORNIA RURAL LEGAL ASSISTANCE, INC.
 FIGHTING FOR JUSTICE, CHANGING LIVES

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 Delano Salinas
 El Centro Seaside
 Fresno San Luis Obispo
 Hollister Santa Barbara
 Lamont Santa Cruz
 Madera Santa Maria
 Marysville Santa Rosa
 Modesto Watsonville
 Oceanside

March 24, 2014

San Joaquin Council of
 Governments
 555 E. Weber Avenue
 Stockton, CA 95202-2804

Michael A. Swearingen, Sr. Planner
 San Joaquin Council of Governments
 555 E. Weber Avenue
 Stockton, CA 95202-2804
swearingen@sjcog.org

Re: Draft Regional Housing Needs Assessment Allocation Methodology San Joaquin Council of Governments (SJCOC); Table V, Preliminary Regional Housing Needs Allocation (RHNA) by Jurisdiction, January 2014, Request for Public Comments

Dear SJCOC Board Members and Mr. Swearingen:

California Rural Legal Assistance, Inc. (CRLA) is a statewide organization, which represents low-income individuals, families and communities throughout California. CRLA works on behalf of our clients to ensure that local jurisdictions and councils of government comply with State Housing Element Law, comply with state and federal fair housing laws, further affordable and equitable housing goals and address infrastructure disparities in disadvantaged and low-income communities.

CRLA also is concerned about lawful implementation of Senate Bill (SB) 375 which coordinates the Region's land use and transportation planning processes, including planning to accommodate the Region's housing needs. The RHNA, as you are aware, must be consistent with the Sustainable Community Strategy required by SB 375. Cal. Gov. Code § 65584.04(i)(1).

This letter is submitted in response to the SJCOC public notice and request for comment on the proposed RHNA for San Joaquin County and the cities within its jurisdiction published on January 24, 2014, for which public comments were invited from January 24, 2014, through March 24, 2014. Our comments address compliance by SJCOC with the statutory requirements for RHNA methodology set forth in Government Code §§65584 et seq. We are submitting a copy of these comments to the California Department of Housing Community Development because state law requires it to determine whether the RHNA adopted by SJCOC will meet SJCOC's regional housing needs. Cal. Gov. Code § 65584.05(h).

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This letter is based on our review of the following documents:

- 1) The Department of Housing and Community Development (HCD) RHNA Determination Letter of December 30, 2013, sent to SJCOG Executive Director, Andrew T. Chesley;
- 2) The draft RHNA Methodology (draft RHNA Methodology) prepared and published January 24, 2014, by the SJCOG staff for comment. See Draft Regional Housing Needs Assessment Allocation Methodology San Joaquin Council of Governments, attached as Exhibit 1.
- 3) The "Draft Regional Housing Needs Assessment Allocation Methodology San Joaquin Council of Governments," that is in Appendix U of the Regional Housing Needs Assessment draft of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) draft, published February 25, 2014. See Appendix U, Regional Housing Needs Assessment from the RTP/SCS draft, attached as Exhibit 2.

It appears, following our review of these documents, that SJCOG's preliminary allocation of RHNA by jurisdiction might not be consistent with applicable laws or adequately and equitably address the existing housing needs throughout our region, and seems to reflect only a concern about the bottom line end-numbers for low income fair share numbers for local jurisdictions.

HCD's RHNA Determination Letter of December 30, 2013, advised SJCOG that Cal. Gov. Code § 65584.01(d)(1) allowed SJCOG thirty (30) days to object to or propose an alternative RHNA to the following RHNA allocations for SJCOG:

Very-low	9485
Low	6500
Moderate	7065
Above-Moderate	17,310
Total	40,360

There is no indication that SJCOG objected or sought approval of an alternative RHNA, however, in SJCOG's draft RHNA Methodology of January 24, 2014 (Exhibit 1), SJCOG's preliminary RHNA allocation proposed 388 fewer extremely low income and very low income housing units, and 117 less low income housing units, for a total change of 505 fewer available housing units for low to extremely low income categories than HCD's RHNA for San Joaquin County. The draft RHNA Methodology of January 24, 2014, proposed 24 additional moderate income and 481 additional above moderate income housing units, a change of 505 additional moderate to above moderate units (this proposal is still available at SJCOG's website as of March 24, 2014). SJCOG's January 24, 2014 Preliminary RHNA by Jurisdictions totals:

Extremely-low	4,669
Very-low	4,428
Low	6383
Moderate	7089
Above Moderate	17,791



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Total 40,360

Apparently sometime after the January 24, 2014 proposal was published, SJCOG again modified its preliminary RHNA allocation plan, and that modification appears in Appendix U to the draft RTP/SCS, attached as Exhibit 2. Although the preliminary RHNA numbers are different in the RTP/SCS document, we were unable to determine based on published SJCOG documents when the preliminary RHNA was modified. In the February 25, 2014, preliminary RHNA allocation contained in Appendix U, 426 additional extremely low income and very low income units are proposed above HCD's allocation of 9485 (9911). However, the February 25, 2014, preliminary RHNA allocation proposes 1415 fewer low income housing units than HCD allocated (HCD low income housing proposal 6500; SJCOG low income housing proposal 5085). HCD allocates housing by four income categories, Very-Low, Low, Moderate, and Above-Moderate. SJCOG separates Very-Low into "Extremely-Low" and "Very-Low." HCD's total allocation of Very-Low and Low income housing units for San Joaquin County is 15,985 units, in contrast to SJCOG which is proposing 14,496, Extremely-Low, Very-Low and Low income housing units. This means that SJCOG is allocating a total of 989 fewer extremely low to low income housing units, even accounting for the increase of 426 housing units in the extremely low income and very low income range. In the newest proposal, the preliminary allocation proposed for moderate income units has increased by 2843 units (above the allocation in the HCD Determination Letter, copy in Exhibit 2), and the above moderate income units have decreased by 1854 units (HCD Determination Letter, copy in Exhibit 2).

SJCOG Appendix U, Preliminary RHNA by Jurisdictions totals:

Extremely-low	5,544
Very-low	4,367
Low	5,085
Moderate	9,908
Above Moderate	15,456
Total	40,360

Based on SJCOG's proposed methodology for allocating RHNA by jurisdiction, there does not appear to be a basis under Cal. Gov. Code § 65584.1(d)(1) for the proposed reduction of 989 fewer extremely low to low income housing units. Moreover, a review of SJCOG's proposed methodology does not illuminate the basis for the proposed increase in moderate housing units by 2843 units above the allocation by HCD for moderate income housing units. There appears to be no analysis of the factors that SJCOG must consider or the objectives it must meet in determining the RHNA allocation plan that supports this result. Such a result also raises potential fair housing implications because protected classes under anti-discrimination laws and special needs housing groups under State Housing Element Law such as people with disabilities, large households, farmworkers and racial and ethnic groups tend to be disproportionately overrepresented in the lower income economic segments of the community. The RHNA must be consistent with existing needs as well as projected needs. SJCOG is presumably well aware that there is a significant unmet need for decent, affordable housing for lower income households in the region. Finally it is difficult to understand how the public is supposed to be able to comment on confusing preliminary RHNA documents.



CALIFORNIA RURAL LEGAL ASSISTANCE, INC.

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We appreciate your consideration in this matter, as well as the opportunity to comment regarding the SJCOC's Preliminary RHNA Allocation by Jurisdiction. Thank you for your time.

Sincerely,

CALIFORNIA RURAL LEGAL ASSISTANCE, INC.

Vicki E. Cody
Denise Y. Mendez
Stockton Basic Unit Attorneys

Enc.

CC: Michael A. Swearingen, SJCOC Sr. Regional Planner, swearingen@sjcog.org
Glen A. Campora, Assist. Deputy Director, HCD
Ilene J. Jacobs, CRLA Director of Litigation, Training and Advocacy

ATTACHMENT E

RHNA Calculations by Individual Jurisdictions

RHNA Allocation Outcomes based on the factors of Jobs Housing Relationships, Sustainable Housing, and Family Income Characteristics are as follows:

CITY OF ESCALON											
	A		B		C		D		E	F	
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	3,048		2,658		390		32,724		1.19%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	1,974		1,800		174		28,526		0.61%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	
	0.61%		33.74%		1.19%		52.10%		6,434		
4 -										Sustainable Housing Factor (SHF)	372
5 -										TOTAL RHNA	425
Household Income Distribution											
6 -	Income Category		2010 Household Income Percentage Jurisdiction		Household Income Percentage for Region		Average of Agency & Regional Income			Housing Unit Allocation by Income Category	
	Extremely Low		14.8%		12.1%		13.5%			57	
	Very Low		7.9%		11.4%		9.7%			41	
	Low		14.3%		16.1%		15.2%			65	
	Moderate		12.9%		17.5%		15.2%			65	
	Above Moderate		50.1%		42.8%		46.5%			197	
	TOTAL		100%		100%		100%			425	

CITY OF LATHROP

	A		B		C		D		E		F
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	11,232		6,812		4,420		32,724		13.51%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	6,283		5,467		816		28,526		2.86%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	
	2.86%		27.29%		13.51%		48.79%		6,434		474
4 -								Sustainable Housing Factor (SHF)			4,681
5 -								TOTAL RHNA			5,156

Household Income Distribution

6 -	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
	Extremely Low	7.4%	12.1%	9.8%		503
	Very Low	7.0%	11.4%	9.2%		475
	Low	12.8%	16.1%	14.5%		745
	Moderate	19.7%	17.5%	18.6%		960
	Above Moderate	53.1%	42.8%	48.0%		2,473
	TOTAL	100%	100%	100%		5,156

CITY OF LODI

	A		B		C		D		E		F
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	25,663		24,219		1,444		32,724		4.41%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	25,344		22,739		2,605		28,526		9.13%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	
	9.13%		53.22%		4.41%		53.89%		6,434		466
4 -								Sustainable Housing Factor (SHF)			1,465
5 -								TOTAL RHNA			1,931

Household Income Distribution

6 -	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
	Extremely Low	12.0%	12.1%	12.1%		233
	Very Low	13.9%	11.4%	12.7%		244
	Low	17.5%	16.1%	16.8%		325
	Moderate	17.1%	17.5%	17.3%		334
	Above Moderate	39.5%	42.8%	41.2%		795
	TOTAL	100.0%	100.0%	100.0%		1,931

CITY OF MANTECA

	A		B		C		D		E		F
1 -	Households 2023		Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	26,609	-	23,444		3,165		32,724		9.67%		
2 -	Jobs 2023		Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	17,176	-	15,402		1,774		28,526		6.22%		
3 -	Share of Job Growth		Job Relations Factor (JRF)	+	Share of Household Growth		Household Relations Factor (HRF)		15.8% RHNA to SHF		Sub Total RHNA Housing Target
	6.22%	x	31.23%		9.67%	x	48.38%	x	6,434	=	426
4 -								Sustainable Housing Factor (SHF)			3,976
5 -								TOTAL RHNA			4,402

Household Income Distribution

	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
6 -	Extremely Low	7.8%	12.1%	10.0%		439
	Very Low	9.0%	11.4%	10.2%		449
	Low	14.8%	16.1%	15.5%		681
	Moderate	20.1%	17.5%	18.8%		828
	Above Moderate	48.2%	42.8%	45.5%		2,004
	TOTAL	100.0%	100.0%	100.0%		4,402

CITY OF RIPON

	A		B		C		D		E		F
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	7,198		5,835		1,363		32,724		4.17%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	4,152		3,746		406		28,526		1.42%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	
	1.42%		28.69%		4.17%		49.74%		6,434		160
4 -								Sustainable Housing Factor (SHF)			1,320
5 -								TOTAL RHNA			1,480

Household Income Distribution

6 -	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
	Extremely Low	7.6%	12.1%	9.9%		147
	Very Low	8.6%	11.4%	10.0%		148
	Low	12.4%	16.1%	14.3%		211
	Moderate	13.8%	17.5%	15.7%		232
	Above Moderate	57.5%	42.8%	50.1%		742
	TOTAL	100.0%	100.0%	100.0%		1,480

CITY OF STOCKTON

	A		B		C		D		E		F
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	114,410		107,629		6,781		32,724		20.72%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	131,564		117,727		13,837		28,526		48.51%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	
	48.51%		58.27%		20.72%		50.67%		6,434		2,494
4 -								Sustainable Housing Factor (SHF)			9,330
5 -								TOTAL RHNA			11,824

Household Income Distribution

6 -	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
	Extremely Low	15.0%	12.1%	13.5%		1,600
	Very Low	12.8%	11.4%	12.1%		1,428
	Low	17.2%	16.1%	16.6%		1,968
	Moderate	18.1%	17.5%	17.8%		2,109
	Above Moderate	37.0%	42.8%	39.9%		4,718
	TOTAL	100.0%	100.0%	100.0%		11,824

CITY OF TRACY

	A		B		C		D		E		F
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	31,197		27,056		4,141		32,724		12.65%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	24,581		21,814		2,767		28,526		9.70%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	Sub Total RHNA Housing Target
	9.70%		37.92%		12.65%		48.13%		6,434		629
4 -								Sustainable Housing Factor (SHF)			4,347
5 -								TOTAL RHNA			4,976

Household Income Distribution

6 -	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
	Extremely Low	7.6%	12.1%	9.9%		490
	Very Low	6.7%	11.4%	9.0%		450
	Low	11.7%	16.1%	13.9%		692
	Moderate	15.9%	17.5%	16.7%		831
	Above Moderate	58.2%	42.8%	50.5%		2,513
	TOTAL	100.0%	100.0%	100.0%		4,976

SAN JOAQUIN COUNTY

	A		B		C		D		E		F
1 -	Households 2023	-	Households 2014	=	Household Growth		Regional Household Growth		Share of Household Growth		
	40,842		29,822		11,020		32,724		33.68%		
2 -	Jobs 2023	-	Jobs 2014	=	Job Growth		Regional Job Growth		Share of Job Growth		
	31,613		25,466		6,147		28,526		21.55%		
3 -	Share of Job Growth	x	Job Relations Factor (JRF)	+	Share of Household Growth	x	Household Relations Factor (HRF)	x	15.8% RHNA to SHF	=	Sub Total RHNA Housing Target
	21.55%		40.01%		33.68%		51.69%		6,434		1,674
4 -								Sustainable Housing Factor (SHF)			8,492
5 -								TOTAL RHNA			10,166

Household Income Distribution

6 -	Income Category	Household Income Percentage by Jurisdiction	Household Income Percentage for Region	Average of Agency & Regional Income		Housing Unit Allocation by Income Category
	Extremely Low	11.5%	12.1%	11.8%		1,201
	Very Low	12.1%	11.4%	11.7%		1,193
	Low	17.2%	16.1%	16.7%		1,696
	Moderate	16.5%	17.5%	17.0%		1,730
	Above Moderate	42.7%	42.8%	42.8%		4,346
	TOTAL	100.0%	100.0%	100.0%		10,166