



CITY OF OCEANSIDE

DEVELOPMENT SERVICES DEPARTMENT / PLANNING DIVISION

Memorandum

Date: February 13, 2019

To: Honorable Mayor and Councilmembers

Through: Michelle Lawrence, City Manager *ML*
Deanna Lorson, Assistant City Manager *DL*
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From: Jeff Hunt, City Planner *JH*
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Subject: **Regional Housing Needs Assessment - Status**

This memo provides a status update on the Regional Housing Needs Assessment or RHNA (pronounced as REE-nah).

Background

As part of Housing Element law, the State Housing and Community Development Department (HCD) provides a countywide RHNA determination to SANDAG, approximately every eight to eleven years. The RHNA projects housing growth based largely on projected population and job growth data. The RHNA allocation includes goals for the production of housing units within four income categories: very low, low, moderate and above moderate. After receiving the countywide RHNA allocation from HCD, the SANDAG Board then adopts a methodology, called a RHNA Plan, to allocate the RHNA to the 18 cities and County within our region. The 18 cities and the County are mandated to update their Housing Element within 18 months of the RHNA Plan adoption to address their respective RHNA allocation and other housing law requirements. Each Housing Element must contain a land sites inventory demonstrating that adequate appropriately zoned land exists that provides capacity to accommodate a jurisdiction's RHNA allocation; otherwise housing site rezonings are necessary. Under current Housing Element law, a city/county is not responsible to have the housing units actually constructed; that is left up to the marketplace. However, the Legislature is starting to provide incentives to facilitate such construction, such as the recent SB 35 which provides for ministerial review of certain housing projects if a jurisdiction hasn't had housing construction meet its RHNA share.

Current RHNA Cycle 2013-2020

The current RHNA cycle includes a countywide RHNA of 161,980 housing units for the period of 2013-2020. The RHNA Plan provides Oceanside with a goal total of 5,650 housing units, per the income categories noted in the following table. The table also notes the number of housing units

the City has constructed from 2013-2017, as reported annually to HCD. In addition the 2013-2017 totals, the City constructed 451 units in 2018 that have yet to have their income category determined, and have yet to be reported to State HCD. As can be seen from the table, the number of housing units constructed in the City through 2018 is approximately 29% of the overall housing unit goal. However, it's important to note there are a number of housing projects that have been entitled in the City over the past few years that are still under construction, or about to start construction, that should help to increase the number of housing units built during the present cycle. At least 1,500 housing units are now either under construction or in the building permit review/approval process.

Oceanside RHNA 2013-2020

Income Category	RHNA Goals 2013-2020	New Units¹ 2013-2018	Percent of Goal
Very Low	1,173	310	26%
Low	1,178	174	15%
Moderate	1,042	149	14%
Above Moderate	2,257	566	25%
TBD	-	451 ²	
TOTAL	5,650	1,650	29%

1. Per State HCD Website for 2013-2017
2. City housing permits for 2018, income category yet to be determined

Statutory Objectives for RHNA Plan 2020-2029

SANDAG has already received the next RHNA allocation for the 2020-2029 planning period, which calls for a total countywide RHNA of 171,685 housing units, which is approximately 10,000 more units than the current RHNA cycle. SANDAG is in the process of crafting and adopting a RHNA Plan to allocate the RHNA to the 18 cities and County. Planning staff is directly involved in this allocation process through its participation in the Regional Planning Technical Working Group that will provide a recommendation on the RHNA Plan to the SANDAG Board. SANDAG staff has noted that the RHNA Plan will have to be consistent with the following statutory objectives:

- Increasing the supply of housing in an equitable manner with all jurisdictions receiving a fair share.
- Promoting infill development, socio-economic equity, the protection of environmental and agricultural resources, and encouragement of efficient development patterns.
- Promoting an improved interregional relationship between jobs and housing.
- Allocating a lower proportion of housing when a jurisdiction has a disproportionately high share.

Pending General Plan Update

Per State Housing Element law, the City will have to update its Housing Element by April 2021. Planning staff intends to release an RFP within the next 60 days for consultant services for a comprehensive General Plan update that will include the Housing Element along with other elements including the Land Use Element, Circulation Element and Community Facilities Element (fire, police, parks, etc.). The Land Use Element update will also include planning for the South Morro Hills agricultural area. Planning staff is in the preliminary stages of evaluating the current Housing Element sites inventory and recent legislation to determine the extent of sites that will be eligible for the next Housing Element update. Should the City need to rezone properties in order to meet our RHNA share, staff will seek sites that are consistent with the statutory objectives, noted above, particularly promoting infill and preserving environmental and agricultural resources.

General Plan Policy Direction

The above approach towards any rezonings will also be consistent with the City's existing General Plan policies that seek to provide for housing on infill sites along transit corridors, near jobs and services, and to revitalize the downtown. These housing policies help achieve other General Plan goals such as encouraging economic development in our existing commercial areas including the downtown by increasing the number of nearby consumers, and reducing greenhouse gases by reducing vehicle miles traveled.

The pending Coast Highway Corridor Plan contains an Incentive District that, if adopted, would promote additional housing development along the Coast Highway. Also, the City has applied for a CalTrans grant that would fund a Smart & Sustainable Corridor Plan as part of the comprehensive General Plan Update that would encourage economic revitalization along the City's major corridors (Coast Hwy, Oceanside Blvd, Mission Ave, Vista Way) by encouraging more housing construction and thus providing more consumers, along those corridors.

Development Services staff would be happy to discuss this further with councilmembers, upon request.