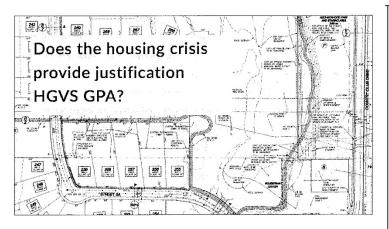
COMMENTS

RESPONSES

Comment Letter No. PCI9

Grow the **Sandiego** way

WHITE PAPER



PCI9-1

Project Comment Letter

Prepared for:

County of San Diego Planning Commission

Prepared by:

JP Theberge, Vice-chair, Elfin Forest Harmony Grove Town Council

and private citizen, founder of Grow the San Diego Way

Date:

Aav 22, 2018

PROJECT:

Harmony Grove Village South; PDS2015-SP-15-002, PDS2015-

GPA-15-002, PDS2015-REZ-15- 003, PDS2018-TM-5626, PDS2015-

MUP-15-008, PDS2018-STP-18-011; PDS2015-ER-15-08-006

Response to Comment PCI9-1

These comments address the important issue of affordable housing in the County. The comments are not, however, at variance with the EIR or support documents. The Project does not represent itself as providing affordable housing as defined by state requirements for low-income residents. It would, however, provide a range of housing that will provide a variety of housing choices for residents working in the Project vicinity. Relative to General Plan requirements for amendment and the HGV South Project, please see the Global Responses to Project Consistency with General Plan Policy LU-1.4, and General Plan/Community Plan Amendments CEQA Impact Analysis. Because this white paper does not address additional environmental issues in the FEIR, no additional response is warranted.

2 www.growthesandiegoway.com

May 11, 2018

COMMENTS	RESPONSES

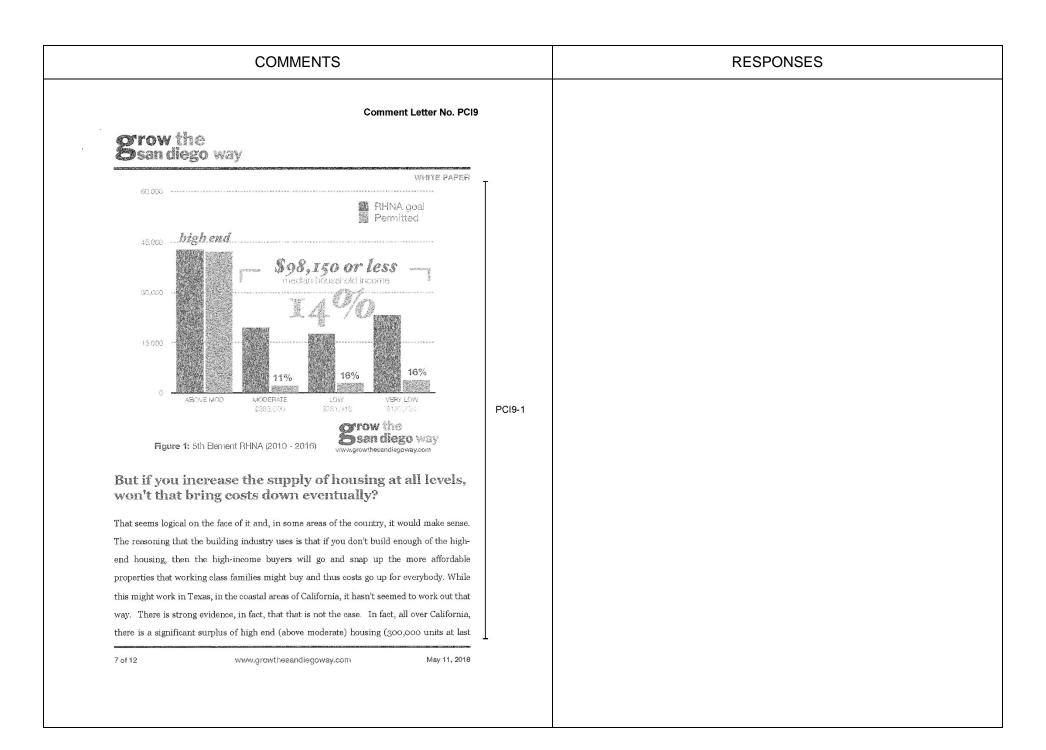
Comment Letter No. PCI9 STOW the San diego way WHETE PAPER GROW THE SAN DIEGO WAY UP THEBERGE - FRIDAY, MAY 22, 2018	
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Harry Jones, of the San Diego Union Tribune recently wrote about the County's plans to rush 7 projects through approval and the consternation that "slow growth" and "environmental groups" have shown at this tactic. While, arguably, the folks concerned with this tactic may include these groups, there are many others around the County who feel that the County administration is trying to sidestep public input on the pretext of doing something to solve the housing crisis. It is important to look at the housing crisis a little more closely to see how GPAs help address this crisis, if at all. General Plan Amendments Amending the general plan is a big deal. With all General Plan Amendment (GPA) projects, the applicant needs to make a solid case for a GPA because it sets aside the "land use constitution" that is developed for a particular jurisdiction. San Diego County's General Plan took 13 years and \$18 million to develop. It received input from all the communities, the building industry and other stake holders and is the grand compromise to accommodate the the needed housing growth in the region (more on the General Plan here). According to the guidelines, an amendment to the General Plan can only be made if it meets two important criteria: it must be "in the public interest" and would not be detrimental to public health, safety, and welfare." Any proposed amendment will be reviewed to ensure that the change is in the public interest and would not be detrimental to public health, safety, and welfare." (San Diego County General Plan, A plan for Growth, Conservation and Sustanability), Adopted August 2011) Pl-15	
2 of 12 www.growthesandiegoway.com May 11, 2018	
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COMMENTS		RESPONSES
Comment Letter No. PCI9		
Sandiego way		
WHITE PAPER		
With the Harmony Grove Village South Project, the applicant attempts to make the case that	Ī	
the project is in the public interest because there is a housing crisis in San Diego County and		
that simply building more houses would alleviate that crisis:		
"The reduced rate of housing production during the current Housing Element planning period has resulted in increased demand for housing in the region. Housing Element Policy H-1.3 provides direction for siting and increasing housing opportunities in the unincorporated county" (5-24-18 HGVS Planning Commission Hearing Report) P34		
It is important to examine the assumptions that are being made here in order to determine		
the following about each particular project:	D010 4	
- First, what is the nature of the housing shortage? Is it about housing in general, or a	PCI9-1	
particular type of housing?		
• Are we delivering enough these particular homes, that are affordable to a majority of San Diegans?		
 Is the particular project delivering the type of housing that will improve home prices in the region? 		
What is the nature of the shortage?		
The County Planning and Development Services (PDS) Planning Commission Hearing		
Report on the Harmony Grove Village South refers to the housing crisis as a justification for		
amending the General Plan. It states that because there is increased demand for housing in		
3 of 12 www.growthesandiegoway.com May 11, 2018		

COMMENTS	RESPONSES
Comment Letter No. PCI9	
Srow the S san diego way	
WHITE PAPER	
the region, the GPA should be allowed because it accommodates more housing in the region	
and that is a good thing.	
So first we need to ask some basic questions: Is housing production down? Well, so far	
through the 5th Element of the Regional Housing Needs Assessment (the RHNA, pronounced "ree-nuh") we are considerably below where we need to be. This interim report	
lays out where we are after 7 years through an 11 year cycle. The RHNA report compares the	
number of permits issued through 2016 with what the original goals of the RHNA were for	
this cycle and it shows that, overall, we are half of where we need to be at this point in time	
in the region.	
n the region.	
So, that settles it. We haven't built nearly enough houses by about a half, right?	
PCI9-1	
Yes, but as always, the devil is in the details. The biggest issue with lack of housing supply,	
so the story goes, is that it drives up home prices. There are more people seeking homes	
than there are homes available. That is standard economics.	
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However, when you look at the law of supply and demand you need to factor in the high	
desirability of the region, the demand for the different price ranges of housing and the	
additional supply of people willing to move to San Diego from other areas if the housing were	
less expensive.	
more on whether or not we can build our way to affordable here	
4 of 12 www.growthesandiegoway.com May 11, 2018	
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COMMENTS	RESPONSES
Comment Letter No. PCI9	
Srow the Ssandlego way	
WHITE PAPER	
What can San Diegans afford?	
Unfortunately, home prices are the highest they've ever been and 74% of County residents cannot afford the average home in San Diego County. The median household income for San Diego County is \$81,800. A person who makes \$81,800 can afford a house worth about \$295,400, at current interest rates (and with a \$20,000 downpayment) or about \$2,000 a month in rent. However, the median home price in San Diego is \$550,000 and for newly-built homes, it is even higher (\$646,000, according to CoreLogic via the Union Tribune). So there is a problem here. It is not just about lack of housing but more importantly, that the housing we are building is too expensive for the average resident. So the solution is not just to increase overall housing, but specifically, build housing that people can afford. *here's a nifty calculator from Zillow to figureout how much home you can afford here	PCI9-1
So, how are we doing with building houses people can afford? Unfortunately, not well at all. Most of the housing we've created in the past 15 years has been "above-moderate" (luxury) housing. The California Department of Housing and Community Development (HCD) has guidelines that define income categories that are used	
to define Moderate, Low and Very Low income levels. For San Diego, it is defined as follows:	
5 of 12 www.growthesandlegoway.com May 11, 2018	

COMMENTS	RESPONSES
Comment Letter No. PCI9	
Srow the San diego way	
A person who has moderate income can afford a house that is roughly \$363,000. This is considerably lower than the median priced home, so clearly something is going on with regards to the production of different levels of housing product. MODERATE LOW VERY LOW Household Income: \$98,150 \$77,850 \$48,650 Can Afford: \$362,965 \$281,318 \$152,724 http://www.hr.d.ca.go/gonts-funding/socre-firite/state-and-federal-income-firite/decal-income-firite/	
Figure 1 shows the RHNA housing goal versus permits issued, broken out by Above Moderate, Moderate, Low and Very Low income categories. The production of moderate income housing (or lower) is severely restricted versus the high end housing. In fact, we have only produced 14% of our goal for the current period so far. High end housing appears to be right on track, however. So the biggest issue is the lack of Moderate housing (with only 11% of the need being produced).	
So, what this tells us is that even though the housing need for Moderate to Low Income housing in San Diego County is the greatest, we continue to oversupply the market with luxury housing that the vast majority of San Diegans cannot afford and we have been doing so for at least 15 years.	
6 of 12 www.growthesandiegoway.com May 11, 2018	



Comment Letter No. PCIB Sear Clego Way Count eccording the California Department of Housing and Community Development, PnS) while we are more than \$2 million short on the Moderate and lower. Figure 12 Ag. Renetal Housing Falls Short at All Income Lends, Except Above Moderate Computing of Franchische and Affordable and Affordable seed Annables (Annable Countries) - Anna Moderate 1270) - Anna Moderate 1270 -	COMN	MENTS		RESPONSES	
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www.growthesandiegoway.com May 11, 2016	www.growthesandiegoway.com May 11, 2018	y Low income housing.		
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Comment Letter No. PCI9	
MARINE TO THE STATE OF THE STAT	
Grow the San diego way	
WHITE PAPER	
The General Plan Housing Element designates affordable housing at a density of 10.9 du/ac or greater. The project's proposed density will be a maximum of eight dwelling units per acre, and as such is not defined as moderate to low income housing by the County's General Plan.(5-24-18 HGVS Planning Commission Hearing Report) P33	
The applicant, Kovach, says that they will provide a range of housing stock from 1800 square	
feet to more than 4,600 sf and that should provide housing that is affordable (though they	
don't substantiate how).	
The project includes a range of residential housing types. In terms of housing affordability, multi-family units as well as smaller lot and house sizes tend to be more affordable. The proposed project includes a range of lot sizes from 1,462 sq. ft. to 4.85 acres, with the large majority of lots being less than 10,000 sq. ft. Single family housing sizes will range from 1,500 - 3,000 sq. ft. (5-24-18 HGVS Planning Commission Hearing Report) P34	
However, based on median home sales prices in the immediate vicinity, at \$266 per square foot, an "affordable" 1500 sf home would be worth \$399,000 which is significantly higher	
(about \$100,000 higher) than what the median income household could afford.	
11 of 12 www.growthesandiegoway.com May 11, 2018	

COMMENTS		RESPONSES
Comment Letter No. PCI9		
Grow the Sandiego way	*	
WHITE PAPER	*	
In Summary:		
There does indeed appear to be a housing shortage.		
· However, the shortage is limited to the Moderate to Low income housing for at least the		
past 15 years.		
\cdot High end housing (Above Moderate) has been oversupplied considerably for most of the		
past 15 years.		
 HGVS does nothing to alleviate this problem and in fact may be exacerbating the problem 		
as more affluent people move into San Diego to buy high end homes that locals cannot		
afford and therefore contributing to higher housing costs.	PCI9-1	
$^{\circ}$ The main thrust for the justification of setting aside the general plan for the vast majority		
of these projects is therefore negated and there is no logical rationale to amend the		
General Plan, the "land constitution" of San Diego County.		
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 Why the Housing Crisis won't get Fixed by Building Cheaper Homes, Nickelsburg 	3	
 Pricing the Natural Environment: How Amenities Put a Premium on California Housing, 		
Nickelsburg		
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	9	
12 of 12 www.growthesandiegoway.com May 11, 2018		
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