REGIONAL GROWTH FORECAST METHODOLOGY -
SAN DIEGO FORWARD: THE 2019 REGIONAL PLAN

File Number 3100900

Introduction

Every three to five years, SANDAG develops a long-range forecast of population, housing, and employment for the San Diego region and its communities. The long-range forecast consists of two components: (1) the regionwide forecast, which draws upon demographic and economic trends and assumptions to look at the region as a whole; and (2) the subregional forecast, which allocates the regionwide population, housing, and employment numbers to individual jurisdictions and communities based on local land use plans, zoning ordinances, and other factors.

The forecast serves as a key input for the Regional Transportation Plan, the Regional Housing Needs Assessment (RHNA), and other important planning and development efforts in the region. SANDAG last updated the Regional Growth Forecast (Series 13) in 2015 as part of the adoption of San Diego Forward: The Regional Plan. This report provides an overview of the methodology that is being used to produce the Regional Growth Forecast for use in the development of San Diego Forward: The 2019 Regional Plan (2019 Regional Plan).

Discussion

In prior forecasts, SANDAG used a custom-built model known as the Demographic and Economic Forecasting Model (DEFM) to produce regional forecasts for population, housing, and employment. As reported to the Board of Directors at its November 3, 2017, meeting, SANDAG discontinued the use of DEFM at the end of the Series 13 forecasting process and currently is developing a new long-range forecasting system that is under expert review. The new modeling system will not use any DEFM components and is expected to be completed in the next year. In the meantime, an alternative methodology will be used to produce the growth forecast information needed to develop San Diego Forward: The 2019 Regional Plan.

Regional Growth Forecast Methodology

The Regional Growth Forecast for the 2019 Regional Plan will use data from the California Department of Finance (DOF), including vital statistics rates, such as birth and death rates and forecasted population controls totals, to determine future population growth in conjunction with job forecasts provided by the California Employment Development Department. This approach will provide SANDAG with the necessary data for the preparation of the 2019 Regional Plan, including population by demographic characteristics, jobs by industry sector, housing units, and households by structure type. It also will help to ensure compliance with state law, which requires that SANDAG be within plus/minus 1.5 percent of the county-level population forecast released by the DOF.
A draft Regional Growth Forecast is expected to be completed in April 2018. In accordance with the SANDAG Plan of Excellence, the draft forecast will undergo both an internal quality review by SANDAG staff and an external review by an expert peer review panel.

SANDAG is slated to provide forecast information to the California Department of Housing and Community Development (HCD) in the next couple months to begin the negotiations for the RHNA allocation for the San Diego region. This will allow time for negotiations with HCD and the development of allocation methodologies with local jurisdictions as in previous RHNA cycles.

**Subregional Forecast**

The second component of the long-range forecast is the subregional forecast, which takes into account residential capacities collected during the past year from the local jurisdictions. The subregional forecast allocates the regionwide population, housing, and employment data to the parcel-level by phase year throughout the region. The subregional forecast is not dependent upon the methodology of the regionwide forecast. The subregional data serve as the input to the transportation modeling efforts for the 2019 Regional Plan and are used in the RHNA process to indicate where additional housing capacity is available.

**Next Steps**

The Board of Directors is scheduled to receive an update on the Regional and Subregional Growth Forecasts in spring 2018 for approval to use in the development of the 2019 Regional Plan. Pending action by the Board at that time, the 2019 Regional Plan would be scheduled for adoption by the deadline of October 2019.

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