

# Affordable Housing Task Force Meeting

August 20, 2024  
5:00- 7:00 PM



# **Affordable Housing Task Force Meeting**

**Welcome - Staff and Task Force  
Introductions**

# Task Force

## **City Council Members**

Mayor Tony Kranz— Chair

Deputy Mayor Allison Blackwell— Vice Chair

## **Appointed Community Members**

*Council District 1* | Dennis Kaden, Richard Stern, Elena Thompson

*Council District 2* | Bob Kent, Richard Solomon, Nivardo Valenzuela

*Council District 3* | Felicia Gamez-Weinbaum, Karen Koblentz, George Wielechowski

*Council District 4* | Eli Stern, Dan Vaughn

# Affordable Housing Task Force Meeting

Affordable Housing Task Force Purpose

# AHTF Purpose, Draft Mission and Overarching Goals

**Council Direction: Explore other options for a city-led affordable housing development netting at least 45 affordable units.**

## **Draft Mission and Goals:**

1. Understand all relevant housing laws, the City's Sixth Cycle Housing Element 2021-2029 including Regional Housing Needs Allocation (RHNA), and affordable housing development and financing.
2. Identify and evaluate feasible affordable housing sites that the City owns or can partner with the property owner.
3. Ensure that the affordable housing site recommendations are linked to the City's policies, strategic plan, and planning priorities.
4. Ensure transparency in communications about affordable housing needs, challenges, and the work of the Affordable Housing Task Force.
5. Make recommendations regarding affordable housing locations and possible financing options at the conclusion of the task force work.

# Affordable Housing Task Force Meeting

## Meeting Schedule

# Task Force Meeting Schedule

All meetings will be held at Encinitas City Hall (505 S. Vulcan Street, Encinitas, CA 92024) in the Poinsettia Room, Tuesday's from 5:00 PM to 7:00 PM.

Meeting 1: August 20, 2024

Meeting 2: August 27, 2024

Meeting 3: September 10, 2024

Meeting 4: September 17, 2024

Meeting 5: September 24, 2024

Meeting 6: October 8, 2024

Meeting 7: October 15, 2024

Meeting 8: October 22, 2024

Meeting 9: November 12, 2024

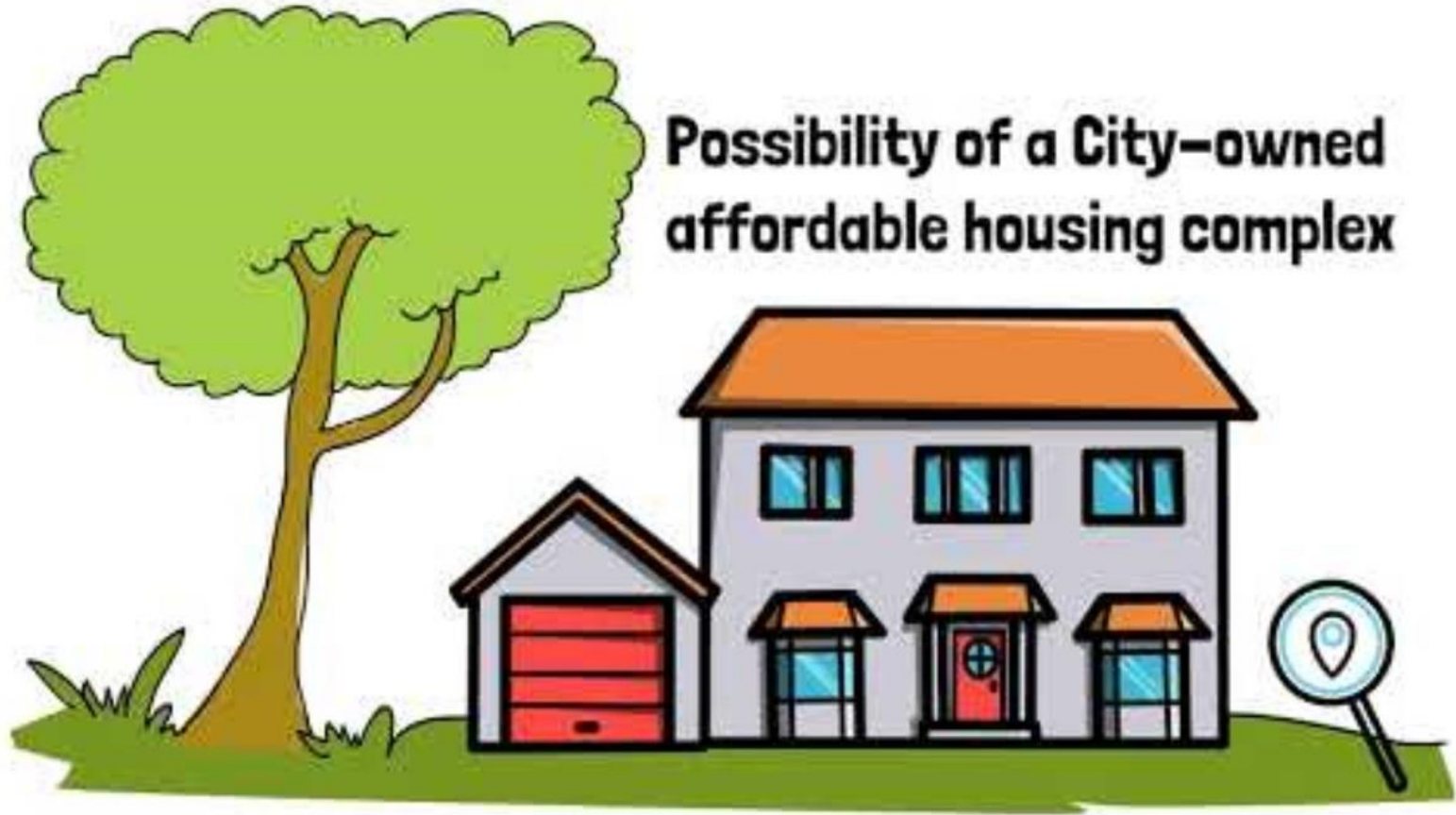
Meeting 10: November 19, 2024

# Affordable Housing Task Force Meeting

## OVERVIEW OF AFFORDABLE HOUSING



# A Diverse Housing Portfolio for Encinitas



**Possibility of a City-owned  
affordable housing complex**

# What is Affordable Housing?

- The U.S Department of Housing and Urban Development (HUD) considers housing to be affordable when a household spends 30% or less of its income on housing costs.
- HUD establishes annual area medium income (AMI) used by California Department of Housing and Community Development (HCD) to establish affordable income level categories.
- Affordable housing is housing that is deed-restricted to individuals or households that income qualify for the residential unit.
- Affordable housing can be any type of property:
  - Single-family Homes
  - Duplex or Twin-homes
  - Multi-family Dwellings (two or more units per building)
  - Accessory Dwelling Unit (ADU) or Junior Accessory Dwelling Unit (JADU)

# Why does Encinitas need to produce affordable housing?

- HCD mandates a region (San Diego) provide affordable housing at all income levels.
- SANDAG allocates the number of affordable units each jurisdiction must provide and have land uses that will support future housing at all income levels. This is done through the Regional Housing Needs Assessment (RHNA) planning process.
- In California, a new planning cycle for housing elements takes place every eight years. This eight-year planning cycle is a State requirement for a General Plan, of which a Housing Element is a component.
- Encinitas is currently in its 6<sup>th</sup> planning cycle (2021-2029); our RHNA is 1,554 units for all income levels.
- Residents should have options available to choose what their desired housing situation is regardless of their socio-economic status.

# What is being done to implement affordable housing?

- **State:** The legislature and Governor continue to pass laws which modify housing and development regulations to streamline housing production, provide density bonuses, by-right approval of housing, allowances for housing where it was previously prohibited, reduce impediments to housing production, etc.
- **Region:** San Diego Association of Governments has Technical Assistance programs and has developed implementation tools (FAQs, sample ordinances, staff reports, etc.), data reporting tools, staff support, and grant funding.
- **Locally:** Encinitas has a certified Housing Element, adopted local affordable housing regulations for development projects, and ensures projects comply with local and State regulations.

# How does Encinitas obtain affordable housing?

- Density Bonus Projects
- Inclusionary Housing Requirements
- Low-Income Housing Tax Credit (LIHTC)
- 16 City Housing Authority Owned Condominiums

# Levels of Affordability: HCD

## HCD 2024 Levels of Affordability in San Diego County

Income Category	Area Median Income (AMI)	Annual Income Limit (4 Person Household)	Hourly Rate (Based on a 40 Hour Work Week)
Acutely Low-Income	15%	\$17,950	\$8.63
Extremely Low-Income	30%	\$45,450	\$21.85
Very Low-Income	50%	\$75,750	\$36.42
Low-Income	80%	\$121,250	\$58.29
Moderate-Income	120%	\$143,400	\$68.94

# HCD 2024 Housing Cost Schedule: Renters

Maximum Annual Income Limits					
Household Size	15% AMI (Acutely Low)	30% AMI (Extremely Low)	50% AMI (Very Low)	80% AMI (Low)	120% AMI (Moderate)
1	\$12,550	\$31,850	\$53,050	\$84,900	\$100,400
2	\$14,350	\$36,400	\$60,600	\$97,000	\$114,700
3	\$16,150	\$40,950	\$68,200	\$109,150	\$129,050
4	\$17,950	\$45,450	\$75,750	\$121,250	\$143,400
5	\$19,400	\$49,100	\$81,850	\$130,950	\$154,850
6	\$20,800	\$52,750	\$87,900	\$140,650	\$166,350
7	\$22,250	\$56,400	\$93,950	\$150,350	\$177,800
8	\$23,700	\$60,000	\$100,000	\$160,050	\$189,300

Affordable Housing Costs (Allowance for renter-paid utilities must be deducted from rent)						
Renters	Unit Size	Acutely Low Health & Safety Code §§50053(b)(1)(A)	Extremely Low Health & Safety Code §§50053(b)(2)	Very Low Health & Safety Code §§50053(b)(3)	Low Health & Safety Code §§50053(b)(4)	Moderate Health & Safety Code §§50053(b)(5)
		Studio	\$314	\$627	\$1,046	\$1,255
	1-Bedroom	\$359	\$717	\$1,195	\$1,434	\$2,629
	2-Bedroom	\$403	\$807	\$1,344	\$1,613	\$2,958
	3-Bedroom	\$448	\$896	\$1,494	\$1,793	\$3,286
	4-Bedroom	\$484	\$968	\$1,613	\$1,936	\$3,549
	5-Bedroom	\$520	\$1,040	\$1,733	\$2,079	\$3,812

# Encinitas Average Market Rate Rent

## Scenario: Renting a 2 bedroom and 1 bathroom unit

1. Today's market average (August 2024 Zillow): ~\$4,900 (all housing types).\*
2. Today's market average (August 2024 Redfin): ~\$3,500 (all housing types).
3. California State Law: Landlords cannot raise rent more than 10%, or 5% plus consumer price index, whichever is lower, over a 12-month period (Civ. Code § 1947.12.). The current maximum increase is 8.6%.

*\* Based on the current market average, a two-income household needs to make ~\$196k per year for the housing to be affordable per HUDs definition for a \$4,900 monthly rent.*



# Encinitas Average Salary per Industry

Retail Worker	Food Service Worker	Hospitality Worker	Firefighter	Teacher
<ul style="list-style-type: none"><li>• ~\$40,000/year</li><li>• ~\$19.00/hour</li></ul>	<ul style="list-style-type: none"><li>• ~\$42,000/year</li><li>• ~\$20.00/hour</li></ul>	<ul style="list-style-type: none"><li>• ~\$50,000/year</li><li>• ~\$25.00/hour</li></ul>	<ul style="list-style-type: none"><li>• ~\$95,000/year</li><li>• ~\$45.00/hour</li></ul>	<ul style="list-style-type: none"><li>• ~\$102,000/year</li><li>• ~\$51.00/hour</li></ul>
<b>50% AMI-Very Low</b>	<b>50% AMI-Very Low</b>	<b>50% AMI-Very Low</b>	<b>80% AMI-Low</b>	<b>120% AMI-Moderate</b>

*These reflected incomes are for a single household size, assuming they work 40 hours a week.*

# Affordable Housing Task Force Meeting

**Kosmont Companies Reports**

# Kosmont Reports

**Provided at November 17, 2021, City Council Meeting:**

- Affordable Housing Strategy (April 2021)**
- Financial Feasibility Analysis of Affordable Housing Opportunity Sites (August 2021)**

# Affordable Housing Task Force Resources

# AHTF Resources

- ❑ AHTF contact list, sign up for the latest update, by visiting the [City Updates Page](#).
- ❑ AHTF project page located on the Policy Planning and Housing Website, under the Housing page
- ❑ New AHTF page on the City Council Regional Boards & Subcommittees, under “Other Committees/Task Forces”

# Thank you

Next Meeting Tuesday, August 27, 2024  
5:00 — 7:00PM