

Cindy Schubert

From: Elena Thompson [REDACTED]
Sent: Tuesday, August 20, 2024 3:38 PM
To: Kathy Hollywood; Cindy Schubert; Patty Anders
Subject: 8-20-24 Public Comments For Affordable Housing Task Force August 20, 2024 - please include in AHTF e-package today, thank you

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: External Email. Do not click any links or open attachments unless you recognize the sender, verified their email address, and know the content is safe.

Date: August 20, 2024

To: Encinitas Affordable Housing Task Force

From: Elena Thompson, Affordable Housing Task Force member-absent

Re: **Public Comments and Thoughts from Task Force Member**

1. I wanted to convey that I am unable to attend the initial meetings in person. When I signed up for the opportunity to serve, I was unaware of the rigorous weekly schedule and regular Tuesday meeting date, with all the meetings stacked weekly. I only learned that I can in fact call in to meetings with 72H notice.
2. Question: Is there a big rush to finalize the important work of this task force within a 10-12 week period? If so, why? Let's define the crucial need and timing up front.
3. I'd like to offer up that the previous Infrastructure Task Force successfully addressed a very large and complex problem by developing a **rubric** for review and analysis of the issues. I believe our task force would also benefit from using this approach. It will create an objective and quantifiable means of communicating findings to the council for council to use in their determinations, whether this council or the newly seated council in January of 2025.
4. There should be no politics in this process, or pet projects allowed. The first Kosmont study had city owned land excluded from the housing analysis. That should not be allowed. Further, it seems unusual to have the mayor and deputy mayor on our task force. Why is this? The task force should follow the instructions given to them and be careful of "drift" of mission, purpose, direction and final result. Please redefine in this first meeting.
5. Who will run the meeting? The chair or a staff member?
6. Additional Sources of housing data and study that should be included for the Task Force to read and understand:

- A. Current situational analysis: When the 7th housing element is due? How many units are required? Are we current, behind in our numbers? Why are we talking about 100% affordable housing at all for Encinitas? Why and by whom was the Surplus Land Act concept pushed on the city at the 11th hour that got us to where we are here and now? This seems important.
- B. 6th cycle housing element. Are we current, behind in our numbers? What are they?
- C. 5th cycle housing element. Kosmont study reports of the 5th cycle housing element. There were other sites considered and should be included for analysis by the AHTF.
- D. L-7 data was generated by the ITF, key data. Council accepted that report and it should be read and understood.
- E. RHNA Analysis & History - <https://catalystsca.org/rhna-allocations/#verville3>
- F. SANDAG – All Mayor meeting with HCD in March of 2024 – link: <https://www.youtube.com/watch?v=arKeg7IFk7w> start at minute 44.
- G. State Housing Law History and current legislation/bills – see graphs here: <https://alfredtwu.medium.com/2024-california-housing-legislation-highlights-bill-tracker-10dfbb23a188>
- H. CA Housing Laws and Impacts <https://www.youtube.com/watch?v=6KSsM7j2sO4>

Wishing you all a good meeting tonight and in hopes you'll take the time to learn all about State Housing Law and CA Housing Issues to set the table for this task force.

Sincerely, Elena Thompson
Housing Task Force Member- District 1

Cindy Schubert

From: Cindy Schubert
Sent: Thursday, August 22, 2024 7:36 AM
To: Cindy Schubert
Subject: FW: Affordable Housing Task Force
Attachments: Affordable Housing Finance Sources.pdf; Glossary of Terms 8-21-24.pdf

From: Bob Kent [REDACTED]
Sent: Wednesday, August 21, 2024 10:53 AM
To: Cindy Schubert <cshubert@encinitasca.gov>
Cc: Patty Anders <panders@encinitasca.gov>; Melinda Dacey <mdacey@encinitasca.gov>
Subject: Re: Affordable Housing Task Force

CAUTION: External Email. Do not click any links or open attachments unless you recognize the sender, verified their email address, and know the content is safe.

Hi Cindy, If the glossary is going to be sent out, I have re-attached as two separate pdf files:

Affordable Housing Finance Sources - separate topic

Glossary of Terms - please note that this glossary is a few years old, so it may contain information that requires updating, however, it should provide good context for the task force's discussion.

Cindy Schubert

From: Bob Kent [REDACTED]
Sent: Wednesday, August 21, 2024 9:54 AM
To: Patty Anders; Melinda Dacey; Cindy Schubert
Subject: Affordable Housing Task Force
Attachments: Glossary of Terms 8-21-24.pptx; 2024 HCD Income and Housing.pdf; AB-2011-Affordable-Housing-and-High-Road-Jobs-Act-Factsheet-August-2022 (2).pdf; 2023-03-22_Special_Meeting_Item_01_-_No_Net_Loss_Study_Session.pdf; CC HEU Briefing Sheet 0422.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: External Email. Do not click any links or open attachments unless you recognize the sender, verified their email address, and know the content is safe.

Hi Patty, Melinda and Cindy, First, thank you all so much for your efforts in supporting the work of the Affordable Housing Task Force. As a follow up to you yesterday's meeting, I am sending some information that may be helpful for the group, as we move forward:

Glossary of Housing Terms - in a power point format. I have included these slides in presentations I have made over the past few years. They may be useful for the task force, however, please note that the information in these slides dates back a few years and there may be required updates. Also, I have included a slide that demonstrates the complexity of financing affordable housing communities--which could provide some context for the group as well. Lastly, if you decide that this information is helpful and they are posted on the city's website, I would like to request that the files be in a pdf form, so no changes can be made once posted.

2024 HCD Income and Affordable Housing Cost Schedule - I believe elements of this schedule were shared with the group at yesterday's meeting. This is the one schedule I always take with me when discussing affordable housing, since it provides clarity around income eligibility and housing costs. It could be helpful to have the schedule included as a link on the Affordable Housing Task Force city webpage.

AB 2011 Fact Sheet - We didn't discuss this item at yesterday's meeting, but it may come up as we work to identify privately owned potential sites in commercial corridors.

No Net Loss Discussion - City Council Meeting March 22, 2023 - Since we spent time discussing the No Net Loss requirements, this staff report may provide some useful context. I understand that there may be updates over the past 18 months to reflect the current numbers and impacts of any new laws (i.e. AB2011?), so perhaps this is more information than required?

6th Cycle Housing Element Sites Development Summary - This document provides a good snapshot of the progress on the 15 housing element sites, including demonstrating the relationship between the unit count in the housing element, the actual number of units that will be built and the portion of the units that will be (deed restricted) affordable.--which helps connects the dots on No Net Loss. It's

already posted on the Housing Element portion of the City's website, but having it directly accessible on the Task Force link could be helpful.

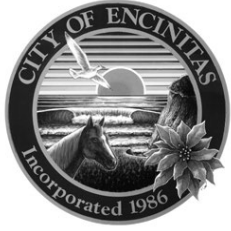
Alternatively , you may want to consider sending the link to the City's Housing Element webpage to the entire group, since it covers a lot of the topics we have or will be discussing.

<https://www.encinitasca.gov/government/departments/development-services/policy-planning-housing/policy-planning/housing-update-2021-2029>

My comments above are only meant to be suggestions--as I definitely don't want to create extra work for you and your team.

Thanks so much again for your support.

Bob Kent



AGENDA REPORT

City Council

MEETING DATE: March 22, 2023

PREPARED BY: Patty Anders, AICP
Planning Manager
Melinda Dacey, Senior
Planner

**DEPT.
DIRECTOR:** Roy Sapa'u

DEPARTMENT: Development Services

CITY MANAGER: Pamela Antil

SUBJECT:

City Council study session to discuss No Net Loss requirements as identified in Government Code Section 65863 for the 6th Cycle Housing Element 2021-2029 and additional site selection criteria.

RECOMMENDED ACTION:

Discuss No Net Loss provisions per Government Code Section 65869 and site selection criteria and planning tools for a potential No Net Loss scenario to accommodate the regional housing need for lower and moderate-income households and provide direction to staff as necessary.

ENVIRONMENTAL CONSIDERATION:

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” under Section 15378(b)(5) of CEQA Guidelines. The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment.”

This item is not related to the Climate Action Plan.

STRATEGIC PLAN:

This item relates to the Community Planning focus area and the goal to qualify for a certified Housing Element. Additionally, the Housing Element Update is part of the City Council's approved Work Program.

FISCAL CONSIDERATIONS:

There are no direct fiscal impacts associated with approval of the recommended action.

BACKGROUND:

On June 22, 2022, the City Council (1) adopted Resolution No. 2022-79 authorizing the initiation of amendments to the General Plan to comply with Government Code Section 65863, and (2) directed staff to develop a Request for Proposals (RFP) for the Housing Element Update.

On November 16, 2022, the City Council approved the Professional Services Agreement between the City of Encinitas, and Kimley-Horn and Associates, Inc. The scope of work associated with the agreement includes a City Council workshop to discuss the criteria for selecting additional housing sites for the 6th Cycle Housing Element 2021-2029 to address the potential No Net Loss requirements pursuant to Government Code Section 65863.¹ Additionally, on February 22, 2023, the City Council requested a study session to gain greater insight regarding what Government Code Section 65863 fully entails.

The study session will provide a summary of the legal requirements of No Net Loss (Attachment 1) and a review of the future site selection criteria, the tools and resources that will be used for identifying additional sites including a web-based site inventory tool, a 3D scenario planning tool, and SANDAG regional GIS information.

ANALYSIS:

The 6th Cycle Housing Element 2021-2029 identified sites with a projected number of affordable housing units at all income levels. The City of Encinitas (“City”) is required to monitor the development of residential acreage to ensure an adequate inventory is available to meet the City’s 2021-2029 Regional Housing Needs Allocation (“RHNA”) obligations (Table 1) as identified in Program 1E of the Housing Element.

Table 1

Income Level	RHNA Allocation by Income Level
Very Low	469
Low	369
Moderate	308
Above Moderate	408
Total RHNA	1,554

The monitoring is achieved by tracking the number of affordable housing units that receive development entitlements and if a site is proposed for development with fewer units or at a different income level than shown in the Housing Element sites inventory. This is conducted to ensure the remaining Housing Element sites have capacity to meet the City’s remaining regional housing needs for lower and moderate-income households throughout the 6th Cycle planning period for the City to remain compliant with Government Code Section 65863 No Net Loss requirements.

The City has been monitoring the sites identified within the 6th Cycle planning period, and staff has been making the findings required when a site proposed fewer units or a different income level than shown in the Housing Element. Table 2 identifies the Housing Element sites, the reported low- and very low-

¹ Government Code Section 65863 requires jurisdictions to maintain a sufficient inventory of sites throughout the Housing Element planning period to meet its unmet share of the regional housing need for lower and moderate-income households.

income unit yield for the sites, and the projects that are in the entitlement process and have received entitlement approvals. The City has met its demand for above moderate-income (market rate) development as shown in Table 2 and will meet the demand for moderate-income developments throughout the planning period.

Table 2

Site No.	Site Name	HE Unit Yield (Low/Very Low)	HE Affordable Unit Yield, Approved or Pending	Market Rate Units Approved or Pending	Total Units APPROVED	Affordable Unit Shortfall
1*	Greek Church Parcel	60	12	49	61	48
7*	Jackel Properties (Marea Village)	33	19	75	94	14
8a & 8b*	Rancho Santa Fe Parcels (Gaffney/Goodson)	149	50	200	250	99
12*	Sunshine Gardens Parcels	84	21	119	140	63
AD8*	1967 Vulcan	50	12	60	72	38
AD31*	Meyer Proposal (Union/Clark)	195	40	159	199	155
2**	Cannon Property (Piraeus)	208	15	134	-	193
5**	Encinitas Blvd & Quail Gardens Sites (Moonlight)	143	30	172	-	113
6a**	Armstrong Parcels	31	9	78	-	22
AD1**	Sage Canyon	60	29	116	-	31
AD2a, AD2b & AD2c**	Baldwin & Sons Properties (Quail Meadows Apt)	225	72	413	-	153
AD9***	Seacoast Church	42	42	0	-	-
AD11***	Manchester Avenue West Sites	50	50	0	-	-
AD14***	Harrison Sites	25	25	0	-	-
TOTAL		1,355	426	1,575	816	929

*Application approved by the City

**Application pending

*** No Application filed

Table 3 identifies that the City may not have an adequate inventory of sites available to accommodate its lower income RHNA obligation during the 6th cycle planning period, although the expected deficit is not high. However, if all proposed projects are approved, the City could potentially hit a “no net loss” scenario during the current housing element planning period.

If that occurs, the City must identify sites not listed in the housing element that are available to provide lower income housing. This may include identifying approved and proposed lower income housing units on sites not included in the housing element (which do not need to be deed-restricted), a higher percentage of affordable ADUs than projected, or additional sites rezoned to 30 units per acre. If sites

must be rezoned, a Prop A vote will be required to increase zoning densities and should be held within the 180-day time limit identified by the statute. Attachment 1 provides additional details on “no net loss” provisions.

Table 3

	Number of Units
RHNA Obligation	838
ADU Capacity	250
HE Sites Affordable Unit Yield	426 (333 if the three remaining sites are developed with 20% affordable)
HE Unit Projection Period (06-30-2020 to 12-31-2020)	91
Entitled Very Low and Low Income Units (2021 and 2022 APR)	16
Remaining RHNA	55 (148 with all sites developed with 20% affordable)

The City is closely monitoring other developments (e.g. density bonus projects and/or projects meeting inclusionary requirements) in addition to the Housing Element sites to determine if additional capacity is being met elsewhere within the City.

No Net Loss

The "no net loss" provisions of state Planning and Zoning Law (Gov't Code § 65863²) provide that if housing developments are approved on these sites with fewer lower income units than projected in the Housing Element, the City must demonstrate that it still has enough sites designated in the Housing Element to accommodate the City's remaining need for lower income housing. State law provides that the City must make the findings whenever it “allows development ... by administrative, quasi-judicial, legislative, or other action” that results in fewer units by income category than identified in the City's Housing Element. Approvals of design review, coastal development permits, and other non-legislative entitlements are quasi-judicial actions, and so, when approving projects with fewer lower income units than shown in the Housing Element, the City must make the findings and determination for No Net Loss per Gov't Code Section 65863. If insufficient sites remain, the City must within 180 days identify and “make available” additional sites to accommodate the City's RHNA at that income level. Table 3 identifies that the City will not have an adequate inventory of sites available to continue to accommodate its lower-income RHNA obligation during the 6th cycle planning period. Although the City has not yet hit a “no net loss” scenario, it may occur within the housing element planning period. Typically zoning must change to make a site available. A Prop A vote is required to increase zoning densities and so ideally should be incorporated into the 180-day time limit identified within the statute. Attachment 1 provides additional details on “No Net Loss” provisions.

² Future references are to the California Government Code, unless otherwise specified.

Next Steps

City staff will continue to work with the City Council regarding the site selection criteria and the identification of potential new sites at a future, separately noticed, City Council workshop. The feedback received from the City Council will be incorporated into the site inventory and 3D scenario planning tools.

No Net Loss Schedule



ATTACHMENT

1. Goldfarb & Lipman LLP No Net Loss and the Sixth Cycle Housing Element Memo

M David Kroot
Lynn Hutchins
Karen M. Tiedemann
Thomas H. Webber
Dianne Jackson McLean
Robert C. Mills
Isabel L. Brown
James T. Diamond, Jr.
Margaret F. Jung
Heather J. Gould
William F. DiCamillo
Amy DeVaudreuil
Barbara E. Kautz
Rafael Yaquián
Celia W. Lee
Dolores Bastian Dalton
Joshua J. Mason
Jeffrey A. Streiffer
Elizabeth R. Klueck
Jhaila R. Brown
Gabrielle B. Janssens
Rye P. Murphy
Marc A. Bentzen
Benjamin Funk
Aileen T. Nguyen
Katie Dahlinghaus
Matthew S. Heaton
Nazanin Salehi
Erin C. Lapeyrolerie
Minda Bautista Hickey
Connor T. Kratz
Colleen A. Wisel
Thomas J. Levendosky

March 14, 2023

memorandum

To
Mayor and City Council, City of Encinitas

From
Barbara E. Kautz

RE

"No Net Loss" and the Sixth Cycle Housing Element

In adopting its Sixth Cycle Housing Element, the City of Encinitas (the City) included a significant "buffer" of sites suitable for lower income housing to account for expected applications with fewer lower income units than projected. While the City's regional housing needs allocation (RHNA) for lower income housing totaled 838 units, the Housing Element provided capacity for 1,696 lower income units, providing a buffer of 858 units, over 100% of the City's lower income RHNA.

The "no net loss" provisions of state Planning and Zoning Law (Gov't Code § 65863¹) provide that if housing developments are approved on these sites with fewer lower income units than projected in the Housing Element, the City must demonstrate that it still has enough sites designated in the Housing Element to accommodate the City's remaining need for lower income housing. If insufficient sites remain, the City must within 180 days identify and "make available" additional sites to accommodate the City's RHNA at that income level.

We understand that, if currently proposed housing development projects are approved, the sites designated in the Housing Element may not have sufficient capacity to accommodate the City's remaining need for lower income housing. The City has asked us to explain the steps the City must then take to make additional sites available.

Analysis

A. No Net Loss Statute

A city's housing element must identify adequate sites for housing to accommodate its share of the regional housing needs at all income levels. (§ 65583(a)(3).) Further, a city is required to ensure that its inventory of housing sites continues to accommodate its share of regional housing needs throughout the planning period. (§65863(a).) A city must make sure it maintains

¹ Future references are to the California Government Code, unless otherwise specified.

sites that can accommodate both the *number of units* projected and enough available sites to accommodate each *income level*.

The projects submitted to the City to date on the sites designated for lower income housing have substantially more *total* units than projected but fewer *lower income* units than projected. Although additional lower income units have been created through accessory dwelling units and on sites not designated for lower income housing in the Housing Element, it is our understanding that, after current applications are approved on the lower income sites designated in the Housing Element, the remaining lower income sites in the Housing Element may not have adequate capacity to accommodate the City's remaining RHNA.

When Are Findings Required? The statute provides that, if a city “by administrative, quasi-judicial, legislative, or other action, *allows* development...with fewer units by income category” than shown in the housing element, the City must make a written finding as to whether or not “remaining sites *identified in the housing element* are adequate to meet the requirements of [housing element law]” and to accommodate the city's remaining RHNA.(§65863(b)(2); emphasis added.)

Approval of design review, a coastal development permit, use permit, subdivision map, or any other non-legislative action is a “quasi-judicial” action. If the City, when approving an entitlement, “allows” a development with fewer lower income units than shown in the Housing Element, it must make the findings that the remaining sites are adequate.

For instance, consider a site that the City's housing element shows could accommodate 200 lower income units. An applicant might propose 270 units with a density bonus, but only 40 lower income units. Even though the site will contain 70 more total units than projected, it will have 160 fewer lower income units than projected, and so the City, when approving the project, must demonstrate that sufficient lower income sites remain identified in the Housing Element after losing capacity for 160 units.

If insufficient sites remain, the statute states that, within 180 days, a city must “identify and make available additional adequate sites to accommodate the jurisdiction's share of the regional housing need by income level.” (§65863(c)(2).) The applicant has no responsibility for finding additional sites if the project proposes fewer lower income units than projected in the housing element (§65863(e)), and the City cannot disapprove a project because it results in a shortage of lower income housing sites. (§65863(c)(2).)

B. Requirements for Additional Sites

The City's adopted Housing Element states that any newly identified sites will satisfy the adequate site requirements of housing element law (Section 65583.2) and be consistent with the City's obligation to affirmatively further fair housing (AFFH). (Programs 1E and 3C.) This is consistent with both the statute and HCD's position. In Encinitas, this will require that that

the sites be zoned to allow 30 units per acre “by right”² and that they meet other requirements regarding calculation of site capacity, analysis of non-vacant sites, and the like (§65583.2). State housing element law also requires that an analysis be completed to ensure that the sites “affirmatively further fair housing.” (§65583.2(c).)

Because Encinitas contains no sites allowing 30 units per acre except those listed as lower income sites in the Housing Element, sites will need to be “made available” that will allow 30 units per acre. Under Proposition A, if any changes to the Land Use Element and the City’s zoning ordinance are proposed to accomplish this increase in density, they must be placed on the ballot for voter approval before the zoning ordinance can go into effect. Any rezoning could not become effective until the voters approve the action, requiring that the rezonings appear on the ballot within the 180-day timeline.

The City may also identify adequate sites through other means, such as by identifying approved and proposed affordable units on sites not listed in the Housing Element; more analysis of ADU permits to determine if the percentage of lower income units is higher than projected; or identifying new housing that is provided at lower income rents even though not deed-restricted. The City may want to explore these options while also identifying new sites.

Conclusion

“No net loss” findings must be made whenever the City approves a project on a site designated for lower income housing with fewer lower income units than shown in the Housing Element. The City intends to develop site criteria and to identify additional sites to meet no net loss requirements if it finds there are inadequate sites identified in the housing element to meet its lower income housing RHNA.

If more sites must be rezoned to allow 30 units per acre, a vote under Proposition A will be required for the rezoning to become effective.

² “By right” approval is required if a site must be rezoned to create adequate sites for lower income housing. (§65583.2(h), (i).) This means that a project on these sites with 20 percent lower income housing can only require design review approval and is exempt from review under the California Environmental Quality Act.



**State of California – Housing and Community Development (HCD)
2024 Income – and Affordable Housing Cost Schedule**

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 *						
Renters	Unit Size	15% AMI (Acutely Low)	30% AMI (Extremely Low)	50% AMI (Very Low)	60% AMI (Low)	110% AMI (Moderate)
	Studio	\$314	\$627	\$1,046	\$1,255	\$2,300
	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	
Homeowners	Unit Size	30% AMI (Extremely Low)	50% AMI (Very Low)	70% AMI (Low)	110% AMI (Moderate)	
	Studio	\$627	\$1,046	\$1,464	\$2,684	
	1-Bedroom	\$717	\$1,195	\$1,673	\$3,067	
	2-Bedroom	\$807	\$1,344	\$1,882	\$3,451	
	3-Bedroom	\$896	\$1,494	\$2,091	\$3,834	
	4-Bedroom	\$968	\$1,613	\$2,259	\$4,141	
	5-Bedroom	\$1,040	\$1,733	\$2,426	\$4,447	

Effective: 5/9/2024 --- San Diego Median Income: \$119,500 -- Source: <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>

	RENTER	OWNER
Health & Safety Code	§§50053	§§50052.5
Acutely Low	15%	
Extremely Low	30%	30%
Very Low	50%	50%
Low	60%	70%
Moderate	110%	110%

*Allowance for renter-paid utilities must be deducted from rent. See the most recent Utility Allowance Schedule published by the Encinitas Housing Authority. Utility Allowance and other housing costs (HOA, taxes, insurance, etc.) must be deducted from the affordable housing cost for homeowners/for sale units.

Assembly Bill 2011

The Affordable Housing and High Road Jobs Act
Assemblymember Buffy Wicks (AD-15)

SUMMARY

The Affordable Housing and High Road Jobs Act (AB 2011) advances all of the state's housing goals, allowing every community to build more climate-friendly, infill affordable housing for struggling families, seniors, workers, and veterans – while also growing a thriving, high-wage, middle-class construction workforce. It does so by making affordable housing by right on commercially zoned lands, and mixed-income housing by right along commercial corridors, as long as the projects meet specified affordability, labor, and environmental criteria.

THE ISSUE

California is in the midst of a housing crisis. The median price of a single-family home exceeds \$800,000, and over half of renters – including 80 percent of low-income renters – are paying more than 30 percent of their income toward housing. In 2020, over 160,000 Californians experienced homelessness on a given night.

The 2022 Statewide Housing Plan estimates that California needs to build approximately 2.5 million units of housing over the next eight years – including over one million units affordable to lower income households. According to HCD, the state will need 180,000 new units of housing each year just to keep up with existing demand, including 80,000 units affordable to lower-income households. Yet California averages less than 100,000 new units per year, and has never produced more than 20,000 new affordable homes in any year.

There are many reasons housing production has not kept up with demand. These include an insufficient amount of land zoned for multi-family housing, a local entitlement process that can be extremely long, risky, and expensive, and the lack of an ongoing source of funding stream dedicated to solving California's housing and

homelessness crisis. Additionally, the state has an acute shortage of construction workers, with tight labor markets in nearly every region and a workforce training pipeline that has not kept pace with rising demand.

Finally, California is grappling with the implications of climate change. To meet state climate goals, new housing must be in developed areas that do not require long commutes and rely on low-emissions modes of travel like transit, biking, and walking.

THE SOLUTION

AB 2011 would create the Affordable Housing and High Road Jobs Act (the Act). The Act would simultaneously address our affordable housing, jobs, and climate crises by pairing new opportunities to build affordable housing on underutilized commercial sites with unprecedented labor standards that ensure all construction workers earn prevailing wages and receive health benefits.

With thousands of these commercial sites across California, this would allow production of new affordable housing units at scale, without changing the density or character of existing residential neighborhoods. One recent analysis found the potential for two million units in just Santa Clara County and Los Angeles County. The bill also includes new homeownership opportunities for middle-income Californians, while promoting climate-friendly affordable development on sites close to jobs and transit.

BILL SPECIFICS

Creates new housing opportunities: This legislation allows housing to be built by right in infill areas currently zoned for office, retail, and parking uses.

- Housing that is 100% affordable to lower income households will be allowed anywhere in these areas that is not on environmentally sensitive land or on or next to industrial land.
- Mixed-income housing will be focused along commercial corridors that are wide enough to accommodate density and new transit. At least 15 percent of the units would be required to be affordable to lower income households.
- For rent projects could, alternatively, provide at least eight percent of the units for very low-income households and five percent for extremely low-income households.
- For sale projects could, alternatively, provide 30 percent of their unit for moderate-income households.

Grows the middle-class workforce: In order to build on these new sites, the bill requires developers to meet a range of responsible wage and training standards.

- Prevailing wage is required on all projects.
- For projects of 50 or more units, health benefits for workers are required.
- All contractors must either participate in a state-approved apprenticeship program or request the dispatch of apprentices from a program. If no apprentice workers are available, the project can still move forward.
- The bill also includes new enforcement mechanisms to ensure these payroll and benefits requirements are being met.

SUPPORT

CA Conference of Carpenters (Co-Sponsor)
 California Housing Consortium (Co-Sponsor)
 21st Century Alliance
 AARP
 Abundant Housing LA
 Affirmed Housing
 Alameda County Democratic Party
 All Home
 Alta Housing
 American Planning Association, California

Chapter
 Bay Area Council
 Black Leadership Council
 Bridge Housing Corporation
 Brotherhood Crusade
 Burbank Housing Development Corporation
 California Apartment Association
 California Association of Local Housing Finance Agencies
 California Association of Realtors
 California Coalition for Rural Housing
 California Community Builders
 California Community of Economic Development Association (CCEDA)
 California Forward Action Fund
 California Housing Consortium
 California Housing Partnership Corporation
 California School Employees Association
 California YIMBY
 Carpenter Local Union 1599
 Carpenters Local 22
 Carpenters Local 46
 Carpenters Local 152
 Carpenters Local 180
 Carpenters Local 405
 Carpenters Local 505
 Carpenters Local 562
 Carpenters Local 605
 Carpenters Local 619
 Carpenters Local 661
 Carpenters Local 701
 Carpenters Local 713
 Carpenters Local 714
 Carpenters Local 721
 Carpenters Local 805
 Carpenters Local 909
 Carpenters Local 951
 Carpenters Local 1109
 Carpenters Local 1789
 Carpenters Local 2236
 Carpenters Women's Auxiliary 001
 Carpenters Women's Auxiliary 007
 Carpenters Women's Auxiliary 66
 Carpenters Women's Auxiliary 91
 Carpenters Women's Auxiliary 101
 Carpenters Women's Auxiliary 417
 Carpenters Women's Auxiliary 710
 Carpenters Women's Auxiliary 1904
 Central City Association
 Central Valley Urban Institute
 City of Maywood
 City of San José
 CivicWell
 Clinica Romero
 Community Build

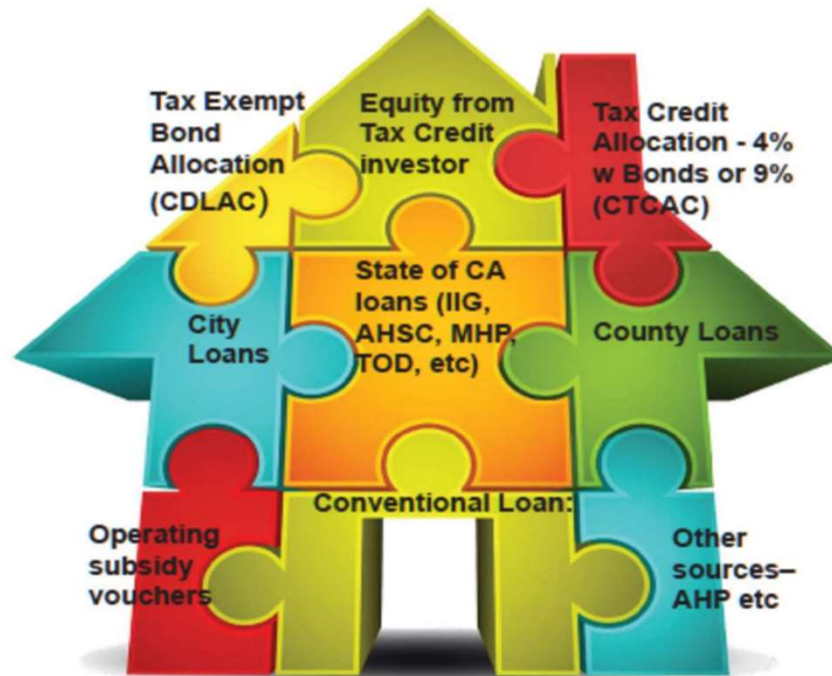
Community Corporation of Santa Monica
Congress for the New Urbanism
Construction Employers' Association
Council Member Alex Fisch, City of Culver City
Council Member Zach Hilton, City of Gilroy
Council of Infill Builders
Destination: Home
Dolores Huerta Foundation
Drywall Lathers Local 9109
Drywall Local Union 9144
East Bay Asian Local Development Corporation
East Bay for Everyone
East Bay Yimby Eden Housing
Eden Housing
Enterprise Community Partners
Fieldstead and Company
Generation Housing
Greenbelt Alliance
Greenlining Institute
Govern for California
Housing Action Coalition
Housing California
IKON CDC
InnerCity Struggle
John Stewart Company
Kennedy Commission
Lathers Local 681
League of Women Voters of California
Linc Housing
LISC San Diego
Los Angeles Business Council
Los Angeles Coalition for the Economy and Jobs
Los Angeles County Business Federation (BizFed)
Los Angeles County Young Democrats
Making Housing and Community Happen
Mayor Ian N. Oglesby, City of Seaside
Mayor Jesse Arreguín, City of Berkeley
Mayor John Bauters, City of Emeryville
Mayor Eric Garcetti, City of Los Angeles
Mayor Libby Schaff, City of Oakland
Mayor Rick Bonilla, City of San Mateo
Mayor Ron Rowlett, City of Vacaville
Mercy Housing California
Merritt Community Capital Corporation
MidPen Housing Corporation
Millwrights Local 102
Modular Installers Association
Monterey Bay Economic Partnership
Mountain View YIMBY
Non Profit Housing Association of Northern
California
Northern California Carpenters Regional Council
Novin Development
Opportunity Stanislaus

Pacific Companies
Peninsula for Everyone
People for Housing - Orange County
Pile Drivers Local 34
Richmond Community Foundation
San Diego Housing Federation
San Diego Urban League
San Francisco Bay Area Planning and Urban
Research Association (SPUR)
San Francisco Bay Area Rapid Transit (BART)
San Francisco Foundation
San Francisco Housing Development Corporation
San Mateo Area Chamber of Commerce
San Mateo County Economic Development Assn.
Sand Hill Property Company
SALEF
Santa Cruz YIMBY
Satellite Affordable Housing Associates
Service Employees International Union California
SF Partnership
Sierra Business Council
Silicon Valley Community Foundation
Silicon Valley Leadership Group
Southern California Association of Nonprofit
Housing
Southern California Contractors Association
Southwest Regional Council of Carpenters
SV@Home Action Fund
The Two Hundred
21st Century Alliance
United Latinos Action
United Lutheran Church of Oakland
United Ways of California
Upholdings
Urban Environmentalists
USA Properties Fund
Valley Industry and Commerce Association
Ventura County Clergy and Laity United for
Economic Justice
Wall and Ceiling Alliance
West Angeles Community Development
Corporation
YIMBY Action
YIMBY Democrats of San Diego County

CONTACT

Steve Wertheim
Office of Assemblymember Wicks
(916)319-2085
Steve.Wertheim@asm.ca.gov

Affordable Housing Finance Sources



6TH CYCLE HOUSING ELEMENT SITES DEVELOPMENT SUMMARY

PROJECT NAME	HEU SITE NO.	HEU SITE NAME	LOCATION	HEU ALLOTTED UNITS	APPLICATION FILING DATE	DENSITY BONUS?	TOTAL UNITS	MARKET RATE UNITS	AFFORDABLE UNITS	BY RIGHT	STATUS
Foxpoint Farms	09	Echter Property	1150 Quail Gardens Dr.	246	December 20, 2019	YES	250	210	40 (VERY LOW)	NO	<p align="center">APPROVED CC RESOLUTION 2021-06 (DENY APPEAL) PC RESOLUTIONS 2020-27 (PROJECT) 2020-28 (EIR)</p> <p align="center">SB330 APPLICATION DEEMED SUBMITTED MARCH 12, 2020</p> <p align="center">ANNA COLAMUSSI acolamussi@encinitasca.gov</p>
1967 N. Vulcan	AD8	Vulcan & La Costa	1967 N. Vulcan Avenue	50	July 21, 2020	YES	72	60	12 (LOW)	YES	<p align="center">APPROVED CC RESOLUTION 2021-86 AUGUST 25, 2021</p> <p align="center">SB330 APPLICATION DEEMED SUBMITTED NOVEMBER 20, 2020</p> <p align="center">ANNA COLAMUSSI acolamussi@encinitasca.gov</p>
Encinitas Boulevard Apartments	08 (a,b)	Rancho Santa Fe (Gaffney/Goodson)	2220, 2228 & 2230 Encinitas Blvd.	149	January 31, 2020	YES	250	200	50 (LOW)	YES	<p align="center">APPROVED CC 2022-70 JUNE 8, 2022</p> <p align="center">SB330 APPLICATION DEEMED SUBMITTED APRIL 24, 2020</p> <p align="center">ANNA COLAMUSSI acolamussi@encinitasca.gov</p>
Sunshine Garden Apartments	12	Sunshine Gardens	628 & 630 Encinitas Blvd.	84	February 24, 2020	YES	140	119	21 (LOW)	YES	<p align="center">APPROVED PC 2021-29 SEPTEMBER 2, 2021</p>

PROJECT NAME	HEU SITE NO.	HEU SITE NAME	LOCATION	HEU ALLOTTED UNITS	APPLICATION FILING DATE	DENSITY BONUS?	TOTAL UNITS	MARKET RATE UNITS	AFFORDABLE UNITS	BY RIGHT	STATUS
											<p>SB330 APPLICATION DEEMED SUBMITTED FEBRUARY 24, 2020</p> <p>ANNA COLAMUSSI acolamussi@encinitasca.gov</p>
Marea Village (previously Fenway N. Hwy 101)	07	Jackel Property	1950 N. Coast Highway 101	33	June 8, 2020	YES	94	75	19 (LOW)	NO	<p>APPROVED PC 2022-08 (PROJECT) PC 2022-09 (EIR) JUNE 16, 2022</p> <p>APPROVED ON APPEAL CC 2022-89 AUGUST 10, 2022</p> <p>COASTAL COMMISSION APPROVED OCTOBER 16, 2023 A-6-ENC-22-0049</p> <p>SB330 APPLICATION DEEMED SUBMITTED JUNE 8, 2020</p> <p>ANNA COLAMUSSI acolamussi@encinitasca.gov</p> <p>PATTY ANDERS panders@encinitasca.gov</p>
Quail Meadows	AD2	Baldwin & Sons Properties	211 & 225 Quail Gardens Drive	225	May 12, 2020	YES	485	411	72 (LOW)	YES	<p>PLANNING COMMISSION HEARING OCTOBER 20, 2022</p> <p>CONTINUED PC HEARING FEBRUARY 1, 2024</p>

PROJECT NAME	HEU SITE NO.	HEU SITE NAME	LOCATION	HEU ALLOTTED UNITS	APPLICATION FILING DATE	DENSITY BONUS?	TOTAL UNITS	MARKET RATE UNITS	AFFORDABLE UNITS	BY RIGHT	STATUS
											<p>PENDING RESUBMITTAL APPLICANT REVISING BASED ON COMMUNITY AND PC COMMENT</p> <p>SB330 APPLICATION DEEMED SUBMITTED JULY 2, 2020</p> <p>ANDREW MAYNARD amaynard@encinitasca.gov</p>
Sage Canyon	AD1	Sage Canyon Parcel	Sage Canyon Drive	60	-	-	-	-	-	-	<p>WITHDRAWN 11/15/2023</p>
Clark Avenue Apartments	AD31	Meyer (Clark)	662, 672 & 682 Clark Ave. 556 Union St.	195	June 2, 2021	YES	199	159	40 (LOW)	YES	<p>APPROVED CC RESOLUTION 2022-96 SEPTEMBER 14, 2022</p> <p>SB330 APPLICATION DEEMED SUBMITTED JANUARY 27, 2021</p> <p>ANDREW MAYNARD amaynard@encinitasca.gov</p>
Saints Constantine & Helen Senior Apts.	01	Greek Church	3459 Manchester Ave.	60	July 6, 2021	YES	60	48	12 (LOW)	YES	<p>APPROVED PC RESOLUTION 2023-01 JANUARY 19, 2023</p> <p>SB330 APPLICATION DEEMED SUBMITTED JULY 8, 2021</p> <p>PATTY ANDERS panders@encinitasca.gov</p>
Piraeus Point	02	Cannon Property (Piraeus)	Piraeus St.	208	February 3, 2022	YES	149	134	15 (VERY LOW)	NO	<p>APPROVED PC RESOLUTION 2023-08 EIR PC RESOLUTION 2023-09</p>

PROJECT NAME	HEU SITE NO.	HEU SITE NAME	LOCATION	HEU ALLOTTED UNITS	APPLICATION FILING DATE	DENSITY BONUS?	TOTAL UNITS	MARKET RATE UNITS	AFFORDABLE UNITS	BY RIGHT	STATUS
	AD11	Manchester Avenue West	2951 & 2955 Manchester Avenue	50	-	-	-	-	-	-	N/A

April 22, 2024

Glossary of Terms

- **Naturally Occurring Affordable Housing (NOAH)**
 - Housing that is more affordable due to typically having one more of the following characteristics: debt free, 20 + years old, deferred maintenance, lacking contemporary amenities, less desirable location and often absentee ownership. (Source: San Diego Housing Federation)
- **Deed Restricted Affordable Housing**
 - Deed restricted affordable rental apartments and homeownership is a mechanism for preserving the long term affordability of units whose rents or resale price was reduced to below market levels through a government or philanthropic subsidy, inclusionary zoning or affordable incentive. (<https://www.localhousingsolutions.org/act/housing-policy-library/deed-restricted-homeownership-overview/deed-restricted-homeownership/>)
- **Section 8 Housing Choice Voucher Program**
 - This program offers rental assistance to very low income Encinitas households through a voucher based program funded by the U.S Department of Housing and Urban Development (“HUD”). Current funding provides for 96 vouchers; there over 900 households on the wait list. (City of Encinitas Housing Element, city email dated 9/24/18)

Glossary of Terms

- **Accessory Dwelling Units (ADU)**
 - Also known as a “granny flat,” are attached or detached residential dwelling units on the same lot as an existing single family residence and provides for complete independent living facilities for one or more person. ADU’s provide housing opportunities within existing neighborhoods and help diversify the market for renters while providing supplemental income for homeowners and thus increasing affordability throughout Encinitas.
(<https://encinitasca.gov/adu>)
- **Affordable By Design**
 - Market rate units that are more affordable by the units’ size and how they are designed and built
- **Proposition A (AKA the "Encinitas Right to Vote Amendment)**
 - It was designed to require voter approval for any major changes to planning policy documents. Planning policy documents include the Land Use Element of the General Plan, Land Use Policy Maps of the General Plan, Zoning Code, Zoning Map, any specific plan, and development agreements. Proposition A also required a public vote to allow the city to make any exception to a citywide building height limit of 30 feet or two stories.

Glossary of Terms

- **Housing Element Plan**
 - The City of Encinitas Housing Element Plan is one of several “elements” or focus areas included in the City’s General Plan, which serves as the City’s blueprint for growth and development . The Housing Element provides the City with a coordinated and comprehensive strategy for the production of safe, decent and affordable housing for all within the Encinitas community. Every eight years, the State of California requires cities to update their Housing Elements to address future housing needs. (6th Cycle Housing Element Public Review Draft Dec. 2020) California’s housing-element law acknowledges that, in order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely upon the effective implementation of local general plans and, in particular, local housing elements.
 - <https://encinitasca.gov/I-Want-To/Housing-Plan-Update/Housing-Update-2021-2029>
- **State of CA Department of Housing and Community Development (HCD)**
 - HCD works with each of California’s regions to determine their housing needs and reviews each city or county’s housing plan (aka “Housing Element”) to determine whether or not their housing plan complies with state law. (<https://www.hcd.ca.gov/about/mission.shtml>)

Glossary of Terms

- **San Diego Association of Governments (SANDAG)**
 - The 18 cities and county government are SANDAG. This public agency serves as the forum for regional decision making, including: strategic plans, obtains and allocates resources, plans engineers and builds public transportation and provides information on a broad range of topics pertinent to the region’s quality of life.
(<https://www.sandag.org/index.asp?fuseaction=about.home>)
- **Regional Housing Needs Assessment (RHNA)**
 - Mandated by state law, quantifies the need for housing and informs land use planning in addressing existing and future housing needs resulting from population, employment and household growth. SANDAG is responsible for overseeing the RHNA process for the San Diego Region (<https://www.sandag.org/index.asp?projectid=189&fuseaction=projects.detail>)
- **Area Median Income (AMI)**
 - Area Median Income is the metric calculated by U.S Department of Housing and Urban Development (“HUD”) and HCD to determine income eligibility for state and local housing programs. (<https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2020.pdf>)

Glossary of Terms

- **Inclusionary Zoning Program**

- City of Encinitas Housing Program requires new residential projects of seven units or more to provide either: 20% of the dwelling units made available as affordable to “low income households” or 15% of the dwellings units made available as affordable to “very low income households.” The City offers alternative compliance options such as “in lieu fee” and offsite compliance. (<https://encinitasca.gov/Residents/Housing-Resources/Inclusionary-Housing>)

- **State Density Bonus Law**

- The Density Bonus Law provides developers with powerful tools to encourage the development of affordable and senior housing, including up to a 41%** increase in project densities for most projects, depending on the amount of affordable housing provided, and an 80% increase in density for projects which are completely affordable. The Density Bonus Law is about more than the density bonus itself, however. It is actually a larger package of incentives intended to help make the development of affordable and senior housing economically feasible. Other tools include reduced parking requirements, and incentives and concessions such as reduced setback and minimum square footage requirements. (https://www.meyersnave.com/wp-content/uploads/California-Density-Bonus-Law_2020.pdf)

- ** - Approved by City of Encinitas in December 2020

Glossary of Terms

- **No “Net Loss” Rule**

- Per state law, effective January 1, 2018, if a market rate project is built on a site designated for lower income or moderate income housing, the City must demonstrate either the remaining sites included in the Housing Element or other sites are zoned appropriately to meet the unmet need for lower income or moderate income housing or zone another site(s) within 180 days. HCD’s view of this law is that cities should zone “surplus” sites so that they do not need to rezone even if non-affordable projects are built on sites designed as suitable for affordable housing.

- **R-30 Zoning**

- **R-30 OL: Residential 30** Overlay is intended to provide for compatible high density multiple family **residential** development including apartments, condominiums, and senior housing, with a maximum density of **30** units per net acre and a minimum density of 25 units per net acre. (Per Encinitas Municipal Code)