

# Project Description



## Chapter 3 | Project Description

### 3.1 INTRODUCTION

The Housing Element is one of seven State-mandated General Plan elements. California Government Code (GOV) § 65583 details the content and process by which a housing element is prepared. Among other requirements, housing elements must identify, analyze, and make adequate provision for the existing and projected housing needs of all economic segments of the community. Therefore, as required by State housing law, the proposed City of Encinitas Draft 2013-2021 Housing Element Update (HEU or Project) makes adequate provision for the existing and projected housing needs of all economic segments of the community. The HEU integrates/updates supporting socioeconomic, demographic, and household data.

The current statutory update in the San Diego Association of Governments (SANDAG) region covers the eight-year Fifth Housing Element Cycle (January 1, 2013 to December 31, 2020). The HEU is proposed to comply with State housing law and reflect SANDAG's Regional Housing Needs Assessment (RHNA) Plan Fifth Housing Element Cycle.<sup>1</sup> It is specifically intended to accommodate the City of Encinitas' ("City" or "Encinitas") remaining RHNA allocation of 1,511 dwelling units (DU). The Project proposes Encinitas General Plan (EGP), Encinitas Municipal Code (EMC) Title 30, *Zoning*, Local Coastal Plan, and Specific Plan (North 101 Specific Plan, and Encinitas Ranch Specific Plan) Amendments. To provide a conservative analysis, these amendments involve as many as 17 low- and very-low income candidate sites (containing up to 36 parcels). The candidate sites' maximum realistic yield (MRY) at 30 dwelling units per net acre, based on the proposed amendments, would be 2,494 DU.<sup>2</sup> However, not all the sites may ultimately be included in the Housing Element. The Project also proposes various conforming amendments to the EGP and EMC Title 30 (Zoning Code), and ancillary amendments to other planning documents, as necessary for clarification and consistency purposes. Section 3.5, *Project Characteristics*, discusses the proposed Project components in detail.

### 3.2 PROJECT BACKGROUND AND HISTORY

#### 3.2.1 PROJECT BACKGROUND

The HEU background is discussed in 2016 PEIR Section 3.1 (page 3-1). The additions/changes necessary to make the 2016 PEIR applicable to the revised Project are presented below.

Like the region, population growth in Encinitas is projected to continue to grow through the foreseeable future. SANDAG's Draft Series 13 Sub Regional Growth Forecast projects that Encinitas' population will continue at a steady rate into 2050 (refer also to Section 4.11). Thus, Encinitas is faced with a changing population and demographics, which affect the housing types that will be needed in the future.

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<sup>1</sup> San Diego Association of Governments Website, *Regional Housing Needs Assessment Plan Fifth Housing Element Cycle Planning for Housing in the San Diego Region 2010-2020*, [http://www.sandag.org/uploads/publicationid/publicationid\\_1661\\_14392.pdf](http://www.sandag.org/uploads/publicationid/publicationid_1661_14392.pdf), Accessed April 5, 2018.

<sup>2</sup> The MRY is based on "candidate" sites and estimated solely for environmental analysis purposes. Additionally, due to differing sets of governing regulations, these yields are greater than the yields that the California Department of Housing and Community Development HCD will credit the City in providing an adequate sites inventory.

### 3.2.2 PROJECT HISTORY

In 2014, the City began working to update the Encinitas Housing Element (EHE) to bring the City into compliance with State law. Since the 2014 update was initiated, the EHE has undergone various planning stages. The Project's history and those various stages through June 2016 are summarized in the 2016 PEIR Appendix C. The additions/changes necessary to make the 2016 PEIR applicable to the revised Project are presented below.

**2016 PEIR Appendix C Section 1, Introduction to At Home in Encinitas** summarizes why the City is updating the EHE, including information on State housing law and housing needs. Section 1.1.2 of Appendix C, *Draft 2013-2021 Housing Element Update*, provides an updated discussion of State housing law. Key changes in State housing law, since the 2016 PEIR include the following:

- Requirements specified by GOV § 65583.2(c) for the inventory of housing sites.
  - "The inventory shall specify for each site...whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing." (GOV § 65583.2(c).)
  - "A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing." (GOV § 65583.2(c)(2)(A).)
  - "For [nonvacant sites], the city ... shall ... provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including ... the city's ... past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development ..." (GOV § 65583.2(g)(1).)
  - "[W]hen a city or county is relying on nonvacant sites ... to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use ... does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period." (GOV § 65583.2(g)(2).)
  - "Notwithstanding any other law, ... sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of § 65915." (GOV § 65583.2(g)(3).)

- Requirements specified by §§ 65583(a)(6) and § 65583(c)(3) for analysis of nongovernmental constraints.
  - "An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including ... the requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of § 65583.2, and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with GOV § 65584. The analysis shall also demonstrate local efforts to remove nongovernmental constraints that create a gap between the locality's planning for the development of housing for all income levels and the construction of that housing." (GOV § 65583(a)(6).)
  - GOV § 65583(c) requires that cities adopt a program setting forth a schedule of actions during the planning period, each with a timeline for implementation. The program must "[a]ddress and, where appropriate and legally possible, remove...nongovernmental constraints..." (GOV § 65583(c)(3).)

The City's current housing needs are discussed in Appendix C Section 1.2.

**2016 PEIR Appendix C Section 2, through 4** discuss the planning processes and community engagement that occurred as part of the HEU reviewed in the 2016 PEIR. The following summarizes the planning processes and community engagement that has occurred, since the HEU reviewed in the 2016 PEIR, which was rejected by the voters in November 2016:

- On November 16, 2016, even before certification of the Measure T election results on December 13, 2016, the City Council approved formation of a Housing Element Subcommittee to work with all groups to adopt a Housing Element.
- The City Council held a special community workshop on February 1, 2017, attended by over 100 people, to discuss adoption of an adequate Housing Element. The City Council also held a special meeting on February 6, 2017, at which it appointed a Housing Element Update Task Force, comprised of the Council Subcommittee and two public members, including one supporter and one opponent of Measure T.
- Eleven public meetings were held by the Task Force in 2017, two of which were joint meetings with the City Council, in addition to regular updates to the City Council.
- In 2018, two City Council meetings, three joint Task Force-City Council meetings, two stakeholder meetings, one community workshop on development standards, and one community informational open house were held. The City has scheduled two Planning Commission meetings, one joint Task Force-City Council meeting, and two City Council meetings to review the final draft Housing Element before placing it on the ballot for voter approval.
- At meetings held on December 16, 2017 and on January 10, February 28, April 4, April 18, and May 9, 2018, the City Council and Housing Element Task Force reviewed candidate sites to be upzoned to permit a maximum of 30 dwelling units per net acre to meet the City's need for lower income housing. An approved list of 17 candidate sites was selected on April 4, 2018, and those sites comprise the "proposed Project" reviewed in this Environmental Assessment (EA); see Appendix B, *Candidate Sites Table*. Although two candidate sites were removed from the Housing Element's inventory (Candidate Site #3 was removed on April 18, 2009 and Candidate



Site #10 was removed on May 9, 2018), these remained a part of the EA’s analysis. Also on May 9, 2018 five additional sites were selected and are reviewed as an Alternative; see Chapter 9.0, *Project Alternatives*.

Public participation and community engagement are also discussed in Section 1.5 of Appendix C and Appendix A of Appendix C.

### 3.3 REGIONAL HOUSING NEEDS ASSESSMENT

The Regional Housing Needs Assessment (RHNA) is discussed in 2016 PEIR Section 3.2 (page 3-2). The additions/changes necessary to make the 2016 PEIR applicable to the revised Project are presented below.

#### 3.3.1 RHNA BACKGROUND

The SANDAG Board of Directors adopted the final RHNA Plan for the Fifth Housing Element Cycle (January 1, 2013 – December 31, 2021) on October 28, 2011. The RHNA allocates housing needs in four income categories (very low, low, moderate, and above moderate) for each jurisdiction that will be used in local housing elements. State law requires that the San Diego region’s housing elements be completed by April 27, 2013, 18 months after 2050 RTP/SCS adoption. Table 3-1, *Encinitas RHNA Allocation 2013-2021*, outlines the City’s RHNA allocation and indicates Encinitas’ RHNA allocation for the Fifth Housing Element Cycle is 2,353 DU.

Income Category	RHNA	RHNA Carryover <sup>1</sup>	Total
Very Low <sup>2</sup>	587	144	731
Low	446	109	555
Moderate	413	0	413
Above Moderate	907	0	907
<b>Total</b>	<b>2,353</b>	<b>253</b>	<b>2,606</b>
Notes:			
1. Calculation provided in Appendix B of Appendix C. Allocated proportionately to the very low and low-income categories.			
2. Includes 365 extremely low-income units and 366 very low-income units.			
Source: Kimley-Horn, <i>Draft 2013-2021 Housing Element Update, Table 2-2, May 9, 2018.</i>			

Assembly Bill (AB) 1233 was signed into law on October 5, 2005, and applies to housing elements due on or after January 1, 2006. Specifically, the law states that if a jurisdiction fails to provide adequate sites in the prior planning period, within one year of the new cycle, the jurisdiction must rezone/upzone adequate sites to accommodate the shortfall. This requirement is in addition to rezoning/upzoning that may be needed to address the RHNA allocation for 2013-2021. This law affects the City of Encinitas' Draft 2013–2021 Housing Element Update, requiring that City to address its deficit in sites from the previous/Fourth Cycle housing element (2005–2010). As indicated in Table 3-1, the City’s “carryover” DU from the Fourth Cycle housing element is 253 DU. Therefore, the City’s RHNA allocation, including the current/Fifth Cycle and carryover from the previous/Fourth Cycle is 2,606 DU.

A jurisdiction can take RHNA credit for new units approved or permitted, since the RHNA projection period’s start date to help reduce its remaining RHNA obligations. In addition to units receiving building permits, the City has approved several residential development projects that can also be credited toward meeting the City’s RHNA allocation. Table 3-2, *Encinitas Adjusted RHNA Allocation 2013-2021*, shows the

City's progress in meeting its RHNA allocation to December 31, 2017, including building permits issued and projects with discretionary entitlements. As indicated in Table 3-2, the City's remaining RHNA allocation for the Draft 2013-2021 Housing Element Update is 1,511 DU. As also indicated in Table 3-2, the City has nearly met its total RHNA allocation for the above moderate-income category. However, significant gaps remain in the low/very low and moderate-income categories (1,087 DU and 409 DU, respectively).

<b>TABLE 3-2: ENCINITAS ADJUSTED RHNA ALLOCATION 2013-2021</b>					
<b>Income Category</b>	<b>RHNA</b>	<b>Building Permits Issued</b>	<b>Projects Approved<sup>1</sup></b>	<b>Accessory Unit Production</b>	<b>Remaining RHNA</b>
Low/Very Low	1,286	61	5	133	1,087
Moderate	413	4	0	0	409
Above Moderate	907	784	108	0	15
<b>Total</b>	<b>2,606</b>	<b>849</b>	<b>113</b>	<b>133</b>	<b>1,511</b>
Source: Kimley-Horn, <i>Draft 2013-2021 Housing Element Update, Table 2-3 and Table C-1, May 9, 2018.</i>					

Because a housing element must identify and analyze a city's housing needs and establish reasonable goals, objectives, and policies based on those needs, the City must find ways to accommodate more attached and multi-family housing units to meet this unmet need. In accordance with State law, a density of 30 DU per net acre is deemed appropriate to accommodate housing for lower income households.

### 3.3.2 APPROACH TO ADDRESSING RHNA

State law requires that agencies demonstrate in their housing elements that they have sufficient land zoned to accommodate their share of the regional growth (i.e., RHNA allocation). Agencies conduct land inventories to identify land suitable for residential development. Lands considered suitable for residential development include the following:

- Vacant residentially-zoned sites;
- Vacant non-residentially zoned sites that allow residential development;
- Residentially zoned sites capable of being developed at a higher density; and
- Non-residentially zoned sites that can be redeveloped for, and if necessary rezoned for, residential use (via proposed program/project actions).

The availability of infrastructure (i.e., water, sewer, and dry utilities), both Citywide and site-specific, is also a determining factor in identifying land suitable for residential development. Environmental constraints must be reviewed, but not on a site-specific basis. The City must additionally demonstrate that each selected site has a "realistic and demonstrated potential for redevelopment during the planning period [i.e., by 2021] to meet the [City's] housing need for a designated income level." (GOV § 65583(a)(3).)

### 3.3.3 CANDIDATE SITES INVENTORY

The City conducted a land inventory to identify candidate sites that could satisfy the criteria and factors described above. Based on the EGP's adopted Land Use Element, adopted specific plans, and existing zoning, the City determined that an adequate number of properly zoned properties were available to accommodate future housing needs within the moderate and above moderate-income categories.

However, no sites were available at a density of 30 dwelling units per net acre, the density “deemed appropriate” to accommodate lower income housing. Accordingly, to comply with State Housing Element law, the City prepared an inventory that focused on candidate sites that could accommodate housing units at a maximum density of 30 dwelling units per net acre. Because of the changes in State law, the City was required to focus on vacant sites and sites where owners expressed interest in developing their sites at the required density. A total of 17 sites within the City’s boundaries were identified as candidate sites for rezoning to accommodate additional lower-income housing units; see Table 2-1, *Summary of Candidate Sites*, and Figure 2-3, *Candidate Sites Map - Overview*. The 17 candidate sites are comprised of 36 parcels and total approximately 111 gross acres. Figures 2-4a through 2-4e, *Candidate Sites Map*, depict the candidate site locations and boundaries according to the City’s communities. To conduct a conservative analysis of environmental impacts, this EA considers all 17 sites as the Project, and other potential candidate sites as Alternatives; see Chapter 9.0.

## 3.4 PROJECT OBJECTIVES

In substantial conformance with State CEQA Guidelines § 15124, the following primary objectives support the Project’s purpose, assist the Lead Agency in developing a reasonable range of alternatives to be evaluated in this EA, and ultimately aid the decision-makers in preparing findings and overriding considerations, if necessary. The Project’s purpose is to address the City’s housing needs and objectives and meet State law requirements. The Project objectives are to:

1. **Housing Choice.** Accommodate a variety of housing types to meet the needs of all Encinitas residents, creating opportunities for attainably-priced housing for all income groups.
2. **Adequate Supply.** Provide adequate sites with corresponding density to meet the City’s RHNA allocation, inclusive of prior planning cycle carryover housing units. Include a buffer sufficient to accommodate the RHNA during the entire planning period given the requirements of the “no net loss” statute.
3. **Effective Implementation.** Adopt State-mandated and locally desired programs to implement the City’s Housing Element.
4. **Maintain Community Character.** Integrate future development using a blend of two- and three-story buildings or building elements into the City’s community character through project design.
5. **Distribute Multi-Family Housing.** Distribute attached and multi-family housing to the City’s five communities.

## 3.5 PROJECT CHARACTERISTICS

### 3.5.1 2013-2021 HOUSING ELEMENT OVERVIEW AND ORGANIZATION

The City of Encinitas Housing Element (EHE) is one of eight EGP elements. In compliance with California Government Code (GOV) § 65583 requirements, the EHE identifies, analyzes, and makes adequate provision for the existing and projected housing needs of all the City’s economic segments.

GOV §§ 65580–65589.8 require that jurisdictions evaluate their housing elements every eight years. The current statutory update in the SANDAG region covers the eight-year Fifth Housing Element Cycle (April 30, 2013 to April 30, 2021). The City of Encinitas 2013-2021 Housing Element Update (HEU or Project) is

proposed to ensure consistency with current State housing law and cover the Fifth Housing Element Cycle. The HEU represents a comprehensive update to the City's last adopted Housing Element. The HEU includes revised goals and policies, and new, modified, and continuing implementation programs. The HEU is included in its entirety in Appendix C.

The EHE provides the City with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing for all within the Encinitas community. The EHE was prepared to ensure the City establishes policies, procedures, and incentives in its land use planning and development activities that result in maintenance and expansion of the housing supply to adequately accommodate households currently living and expected to live in Encinitas. The EHE institutes policies intended to guide City decision-making and establishes an Implementation Program to achieve housing goals through the year 2021.

The EHE is comprised of the following components (see Appendix C):

**Section 1, Introduction and Housing Element Goals, Policies and Implementation Programs**, contains the Housing Element background and identifies major housing-related issues. The requisite goals and policies the City proposes to address the major housing-related issues are included, along with the housing programs proposed to implement those goals and policies.

**Appendix A, Summary of Community Engagement**, summarizes the community engagement activities that have occurred throughout development of the EHE document.

**Appendix B, Housing Profile Report**, provides the required demographic, needs, and constraints analyses, among other analyses required by state law.

**Appendix C, Adequate Sites Inventory**, provides an inventory of sites to meet the estimated RHNA need throughout the planning period.

### 3.5.2 GOALS AND POLICES

The EHE identifies the following major housing-related goals, with associated policies to implement each:

- Ensure that a broad range of housing types are provided to meet the needs of both existing and future residents;
- Ensure that housing is both sound and safe for occupants; and
- Ensure that the existing housing stock is maintained and preserved.
- Ensure the continued affordability of deed-restricted units.
- Develop policies to remove governmental and nongovernmental constraints.

The goals and policies are provided in their entirety in Section 1 of Appendix C.

The Implementation Programs proposed to implement each goal and policy are discussed below.

### 3.5.3 IMPLEMENTATION PROGRAMS

The housing programs proposed to implement each goal and policy are included in their entirety in Section 1 of Appendix C.



### 3.5.3.1 HOUSING ELEMENT LAW

Under State Housing Element law, the EHE must include programs that address six housing-related categories, as outlined below. State law requires that the implementation program address the following:

#### 1. Adequate Sites Inventory [GOV Code §65583(c)(1)]

A jurisdiction must identify actions/programs that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services/facilities to accommodate the City's share of regional housing need for each income level.

- Program 1A, Accommodate the City's Regional Housing Needs Assessment Allocation
- Program 1B, Adopt Amendments to the Zoning Code to Accommodate Lower Income Housing
- Program 1C, Promote Development of Accessory Housing Units
- Program 1D, Ensure That Adequate Sites Remain Available Throughout the Planning Period
- Program 1E: Energy Conservation and Energy Efficiency Opportunities

#### 2. Affordable Housing [GOV Code § 65583(c)(2)]

A jurisdiction must show how it intends to assist in the development of adequate housing to meet the needs of extremely low, very low, low, and moderate-income households.

- Program 2A, Continue and Improve Inclusionary Housing Policies
- Program 2B, Facilitate Affordable Housing for All Income Levels
- Program 2C, Utilize Section 8 Housing Choice Vouchers
- Program 2D, Ensure That the Density Bonus Ordinance Continues to be Consistent with State Law
- Program 2E, Accommodate Specialized Housing Types
- Program 2F, Continue Programs to Reduce Homelessness

#### 3. Mitigation of Constraints [GOV Code §65583(c)(3)]

A jurisdiction must address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities.

- Program 3A, Establish Parking Standards Appropriate for Different Kinds of Housing
- Program 3B, Modify Regulations That Constrain the Development of Housing
- Program 3C, Right to Vote Amendment
- Program 3D, Rescind Obsolete Growth Management Policies and Programs
- Program 3E, Improve the Efficiency of The Development Review Process for Housing Projects
- Program 3F, Review Nongovernmental Constraints Impeding Development of Approved Housing Projects
- Program 3G, Seek to Create Community Support for Housing

#### 4. Conservation [GOV Code § 65583(c)(4)]

A jurisdiction must conserve and improve the condition of the existing affordable housing stock.

- Program 4A, Pursue Opportunities to Create Safe and Healthy Housing
- Program 4B, Assist in Rehabilitating Housing

## 5. Equal Housing Opportunities [GOV Code § 65583(c)(5)]

A jurisdiction must promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, family status, or disability.

- Program 5A, Reasonably Accommodate Housing for the Disabled
- Program 5B, Promote Fair Housing

## 6. At-Risk Housing [GOV Code § 65583(a)(6)9]

A jurisdiction must preserve for lower income households the assisted housing developments that are at risk of becoming homeless.

- Program 6A, Monitor Publicly Assisted Housing Projects
- Program 6B, Explore Providing Credit Under the Inclusionary Ordinance for Preservation of At-Risk Housing

Many of the proposed implementation programs are limited to City housing policy and actions to support those policies that do not involve changes that would result in physical impacts. Others such as General Plan, Zoning Code, and Specific Plan Amendments have potential to increase development yields or result in other physical impacts.

Following are the programs involving actions proposed to make sites available during the planning period with appropriate General Plan, Specific Plan, zoning and development standards, and with services/facilities to accommodate the City's share of RHNA allocation for each income level.

### **Program 1A: Accommodate the City's Regional Housing Needs Assessment Allocation**

As indicated in Table 3-1, the City's RHNA allocation including the current/Fifth Cycle and carryover from the previous/Fourth Cycle is 2,606 DU. The City's remaining RHNA allocation, after credits for new units approved or permitted, is 1,511 DU; see Table 3-2. As also indicated in Table 3-2, the City has nearly met its total RHNA allocation for the above moderate-income category; however, significant gaps remain in the low/very low and moderate-income categories (1,087 DU and 409 DU, respectively). The City is committed to providing adequate sites with appropriate zoning to accommodate the remaining RHNA and for groups of all income levels, as required by State Housing Element law.

The Project involves General Plan, Zoning Code, and Specific Plan Amendments to as many as 17 low- and very-low income candidate sites (as many as 36 parcels); see Table 2-1 and Figure 2-3. Depending on the City's policy preferences and guidance from HCD, it is possible that not all the candidate sites included in the EA Project will be included in the final HEU, but this EA considers all 17 candidate sites to provide a conservative analysis of potential environmental impacts. The proposed rezoning program and amendments are described in the following sections. The candidate sites are discussed in greater detail in Appendix A, *Candidate Sites Fact Sheets*, Appendix B, *Candidate Sites Table*, and Section 4.9, *Land Use and Planning*.

It is anticipated the General Plan, Zoning Code, and Specific Plan Amendments proposed under Program 1A would be placed on the November 2018 ballot for voter approval. If approved by the voters, the proposed changes would be submitted to the California Coastal Commission for their consideration of a Local Coastal Program Amendment.

Since the City has adequate capacity to accommodate the moderate and higher income housing RHNA categories, no General Plan, Zoning Code, or Specific Plan Amendments are needed or proposed for properties that are already zoned to accommodate this type of housing.

### **Program 1B: Adopt Zoning Code Amendments to Accommodate Lower Income Housing**

Amendments are proposed to EMC Title 30, *Zoning*, to accommodate lower income housing. These amendments would provide the necessary development standards and entitlement procedures to ensure that sites have development standards appropriate for units affordable to lower income residents. The rezoning program would permit for-sale and rental multi-family residential uses as permitted uses. At least 50 percent of the remaining lower income RHNA need would be accommodated on sites permitting residential as the only permitted use. Density would range from a minimum of 25 DU per net acre to a maximum of 30 DU per net acre. “Use by right” approval would be specified for projects containing at least 20 percent lower income housing and not including a subdivision, and replacement affordable housing would be mandated on all non-vacant sites, in accordance with GOV § 65583.2(g)(3) and (h); see also Section 1.3.3, *Subsequent Environmental Review*, and Section 3.6.3, *Future Development*.

All candidate sites can accommodate 30 DU per net acre. Three sites contain individual parcels that are not in common ownership. The rezoning would apply only to projects containing at least 16 DU to ensure that lots are consolidated, as needed.

Changes to zoning regulations are proposed to accommodate a maximum net density of 30 DU/AC. These changes include increasing the allowable building height to three stories, with elements of two stories to create appropriate transitions, but only for residential developments meeting at least the minimum net density of 25 DU per net acre on sites rezoned for lower income housing. Development standards will also be revised to address other zoning issues to ensure that new standards accommodate the zone’s minimum density requirements.

If approved, it is anticipated the General Plan, Zoning Code, and Specific Plan Amendments proposed under Program 1B would be placed on the November 2018 ballot for voter approval. If approved by the voters, the proposed changes would be submitted to the California Coastal Commission for their consideration of the Local Coastal Program Amendment.

### **3.5.3.2 GENERAL AND SPECIFIC PLAN AMENDMENTS**

Amendments are proposed to the Land Use Element to accommodate lower income housing and provide consistency with the proposed Housing Element. The Land Use Element would be amended by changing: the land use designation boundaries shown on the Land Use Map; a property’s land use designation, to permit a maximum of 30 dwelling units per net acre; and/or the Land Use Element text.

Similar Specific Plan amendments are proposed to the North 101 Specific Plan and Encinitas Ranch Specific Plan to ensure consistency with the proposed HEU.

### **3.5.3.3 ZONING CODE AMENDMENTS (REZONE PROGRAM)**

Amendments are proposed to EMC Title 30, *Zoning*, to rezone sufficient acreage to higher density residential to accommodate lower income housing. The Zoning Map and zoning regulations would be amended by changing: the zoning boundaries shown on the Zoning Map; a property’s zoning; and by the creation of an R-30 Overlay Zone applicable to the sites to be rezoned.

The R-30 Overlay Zone include the new development standards, including increased height, to accommodate residential uses at up to 30 DU per net acre. R-30 Overlay Zone adoption would occur concurrent with the approval of the other HEU components and would be ultimately determined by the registered voters, as required by Proposition A.

### 3.5.3.4 AMENDMENT TO PROPOSITION

The Community Character and Voter Rights' Initiative (EMC Chapter 30.00) was passed by Encinitas voters in 2013. Proposition A must be amended to permit the three stories and increased height limit required to accommodate 30 dwelling units per net acre on the selected sites.

### 3.5.3.5 COMPARISON WITH PROJECT REVIEWED IN PEIR

The 2016 PEIR analyzed three housing strategies, including the Modified Mixed-Use Places (MMUP) strategy (i.e., the strategy with the greatest development yield). The MRY under the MMUP strategy was estimated to include 3,261 DU and 1,610,066 square feet (SF) of non-residential land uses.<sup>1</sup> As compared to the MMUP strategy's MRY, the Project's MRY (2,494 DU), as reviewed in this EA, represents a net decrease of 767 DU (-24% DU) and a net decrease of 1,610,066 SF of non-residential uses (-100% SF). Appendix B, *Candidate Sites Table*, shows which sites contained in the Project were also reviewed in the 2016 PEIR and which were ultimately part of the environmentally preferred project that was placed on the ballot in November 2016 as Measure T. This EA reviews the Project's impacts (17 candidate sites), including the sites not reviewed in the 2016 PEIR.

## 3.5.4 OTHER IMPLEMENTATION PROGRAMS

The proposed EHE contains other programs that will require changes in the City's zoning and may have an impact on the physical environment. These policies are essentially the same as those included in the HEU reviewed in the 2016 PEIR. No substantial changes have occurred in circumstances, and no new information is known, that would increase the impacts of these proposed zoning changes from those found in the 2016 PEIR.

### Program 2E: Accommodate Specialized Housing Types.

*Agricultural Worker Housing.* Employee housing for agricultural workers is addressed in the State Employee Housing Act (Health and Safety Code § 17000 et seq.). The City will amend the Zoning Code to be consistent with State law regarding agricultural worker housing and employee housing.

*Emergency Shelters.* The City will amend the Zoning Code to permit emergency shelters by right without a discretionary review process in the Light Industrial (LI) and Business Park (BP) Zones (28 acres total), subject to the same development and management standards that apply to residential or commercial development in those zones, with the addition of certain standards permitted by State law.

*Transitional and Supportive Housing.* State Housing Element Law mandates that local jurisdictions address zoning for transitional and supportive housing. The City proposes to amend the Zoning code to identify transitional/supportive housing meeting the GOV § 65582 (g-j) definitions as a residential use of a property in a dwelling to be allowed under the same conditions as apply to other residential dwellings of the same type in the same zones.

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<sup>1</sup>2016 PEIR Table 3-4c.

*Single-Room Occupancy (SRO) Housing:* The City will amend the Zoning Code to permit SROs in its multifamily zones to encourage units that are cheaper by design.

**Program 3A: Establish Parking Standards Appropriate for Different Kinds of Housing.**

The City proposes to update its housing standards to reflect current and anticipated parking needs and adopt parking standards appropriate for affordable, senior-aged, mixed-use, and transit-oriented housing projects.

**Program 3B: Modify Regulations that Constrain Development of Housing.**

*Ground-Floor Commercial Uses Only.* For mixed-use projects, the City proposes to amend zoning regulations to require ground floor commercial uses only at key locations or preference areas based on context or planning objectives to ensure future projects are feasible and the desired community character is preserved. The City Council would determine key locations.

*Design Review Findings for Residential Projects.* The City will review findings that may result in the denial of a project to ensure that they are consistent with the Housing Accountability Act.

*Separate Lot or Airspace Ownership Requirements in North Highway 101 Specific Plan.* The City proposes to amend the North 101 Corridor Specific Plan to eliminate the airspace requirement for multi-family housing.

**Program 3D: Rescind Obsolete Growth Management Policies and Programs.**

An EGP Land Use Element measure establishes a Growth Management Plan that phases development through building permit limitations. However, the City discontinued calculation of the permit limitation due to the carryover of unallocated permits. As the Growth Management Plan has no impact on the pace of development, the City proposes to eliminate the requirement and rescind the Growth Management Plan Ordinance.

**Program 5A: Reasonably Accommodate Housing for the Disabled Programs.**

To ensure full compliance with Fair Housing Act reasonable accommodation procedures, the City proposes to adopt a Reasonable Accommodation Ordinance to establish procedures for review and approval of requests to modify zoning and development standards to reasonably accommodate persons with disabilities, including persons with developmental disabilities.

## **3.6 BUILDOUT PROJECTIONS FOR FUTURE SITE DEVELOPMENT**

State CEQA Guidelines § 15378(a) defines a “project” as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” The proposed 2013-2021 Housing Element Update (i.e., the Project) does not propose new residential or other development on the 17 candidate sites evaluated in this EA; rather, it provides capacity for future development consistent with State law. Future development would occur on these sites in incremental phases over time depending upon numerous factors such as market conditions, and economic and planning considerations, and at the individual property owners’ discretion.



### 3.6.1 BUILDOUT YIELD METHODOLOGY

In accordance with State law, the new R-30 Overlay Zone will include a minimum and maximum residential density. In general, the candidate sites' MRY is used in this EA as the approach to evaluate the future developments' potential environmental impacts. Maximum realistic yield is defined as each candidate site's development potential at the greatest intensity permitted by zoning, based on the site's "net" acreage (net of known constraints). Under this methodology, MRY is the assumed future growth.

"Buildout" for purposes of this EA, generally refers to the MRY of the candidate sites combined. The residential buildout projection reflects what could be achieved under the rezoning program described above. As noted, however, the candidate sites accommodate more units than required to meet the City's RHNA, and some sites may be removed from the inventory when the final Housing Element is adopted. Therefore, the MRY represents a conservative estimate of maximum impact.

The "net" lot area was utilized to calculate each candidate site's MRY. The EGP and Zoning Code require that certain constrained lands be excluded from the gross lot area. For purposes of density calculations, the gross site area was reduced by the presence of constrained areas. Constrained areas are discussed in detail in Appendix B (Section 9) of Appendix C. Constrained areas include steep slopes, floodplains, beaches, permanent bodies of water, significant wetlands, major utility easements, railroad track beds or rights-of-way, and easements for streets and roads.

### 3.6.2 BUILDOUT ASSUMPTIONS

For buildout, this EA assumes the MRY (i.e., residential development capacity of the land net of known constraints).

Table 3-3, *Candidate Sites' Maximum Realistic Yield (MRY)*, presents the MRY for each candidate site, based on a potential residential density of 30 DU/AC.<sup>2</sup> As indicated in Table 3-3, (and detailed in Appendix B, *Candidate Sites Table*), the candidate sites' MRY would be 2,494 DU. As also indicated in Table 3-3, as compared to existing (on-the-ground) land uses, the Project's MRY could result in a net increase of as many as 2,487 DU. It is noted that, although the proposed Project would displace the existing on-the-ground land uses (7 DU and 793,757 square feet of non-residential uses), the impact analyses presented in this EA conservatively assume Project buildout (i.e., 2,494 DU) and no credit for the displaced uses.

Table 3-3 also presents the MRY based on the existing adopted zoning. As compared to the adopted zoning's MRY, the Project's MRY could result in a net increase of as many as 2,311 DU, with no change in non-residential land uses.

Table 3-4, *Candidate Sites' Forecast Population*, identifies the Project's forecast population, and compares it to existing on-the-ground land uses and adopted EGP. As indicated in Table 3-4, the Project's forecast population is 6,250 persons, based on the MRY. As compared to on-the-ground land uses, the Project's forecast population growth would be approximately 6,232 persons. As compared to the adopted EHE General Plan, the Project's forecast population growth would be approximately 5,771 persons.

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<sup>2</sup> The MRY is estimated solely for environmental analysis purposes. Additionally, due to differing sets of governing regulations, these yields are greater than the yields that the California Department of Housing and Community Development HCD will credit the City in providing an adequate sites inventory. Moreover, not all the candidate sites analyzed as part of the Project are likely to be included in the final HEU.

**TABLE 3-3: CANDIDATE SITES' MAXIMUM REALISTIC YIELD (MRY)**

Site	Parcel (Net Acres)	Dwelling Units		
		Existing On-the-Ground	Adopted Zoning	Capacity at Maximum 30 DU/net acre (Project)
01	2.00	0	2	60
02	6.93	0	14	208
03	7.60	0	8	228
05	4.78	1	0	143
06	2.93	0	0	88
07	2.97	0	0	89
08	6.02	3	12	181
09	9.85	1	1	296
10	9.85	1	20	296
11	1.92	0	6	58
12	3.39	0	0	102
AD01	2.40	0	7	72
AD02	9.05	0	39	272
AD06	6.25	0	0	188
AD07	0.80	0	20	24
AD08	2.00	1	6	60
AD09	4.40	0	48	132
<b>Total</b>	<b>83.14</b>	<b>7</b>	<b>183</b>	<b>2,494</b>
<b>Change over Existing On-the-Ground</b>				<b>+2,487</b>
<b>Change over Adopted Zoning</b>				<b>+2,311</b>

 Note: Refer also to Appendix B, *Candidate Sites Table*.

**TABLE 3-4: CANDIDATE SITES' FORECAST POPULATION**

	Dwelling Units	Persons Per Household	Forecast Population
Candidate Sites (Project)	2,494	2.51	6,250
Existing On-the-Ground	7		18
<b>Change over Existing On-the-Ground</b>	<b>+2,487</b>		<b>+6,232</b>
Adopted General Plan	191	2.51	479
<b>Change over Adopted General Plan</b>	<b>+2,303</b>		<b>+5,771</b>

 Note: Refer also to Appendix B, *Candidate Sites Table*.

## 3.7 PROJECT PHASING

The Housing Element is a policy level document that presents the City’s proposed policies and programs to achieve their housing objectives within the identified planning period (i.e., 2013 to 2021). A key concept foundational to this EA’s analysis is that growth projections represent a theoretical buildout of the proposed Project’s buildout MRY, which, consistent with the Housing Element planning period, is estimated to occur in 2021. However, the Project does not propose development, rather is intended to accommodate and encourage housing development to accommodate the projected need at all income levels within the City. The buildout MRY and planning period are both based on theoretical conditions used to conduct a thorough and conservative analysis of potential environmental impacts that would result from future development accommodated through Project implementation. The buildout MRY and planning period do not consider factors that influence the timing of development, such as economics and market forces, among others. Individual projects would occur incrementally over time, largely based on economic conditions, market demand, and other planning considerations.

The actual rate of housing development would be outside of the City’s control and would be dictated by factors that influence development, as described above. Therefore, while the Project’s MRY is 2,494 DU, it is unlikely that the anticipated development would occur within the Housing Element’s 2021 planning horizon. Moreover, not all the candidate sites analyzed as part of the Project are likely to be included in the final Housing Element. The Project’s intent is to provide the capacity (i.e., land use designations and zoning) for the housing market to adequately address housing needs for all income groups, rather than generating the full buildout housing within the planning cycle. The Project further directs the MRY where planned growth is best suited to occur. Therefore, to provide a conservative analysis (i.e., a “worst-case” scenario environmentally), this EA assumes Project buildout by 2021.

## 3.8 DISCRETIONARY ACTIONS

Discretionary actions are those actions taken by an agency that call for the exercise of judgment in deciding whether to approve or how to carry out a project.

### 3.8.1 HOUSING ELEMENT UPDATE CONFORMING AMENDMENTS

The following discretionary actions by the City would be required for approval the Draft 2013-2021 Housing Element Update:

- Adopt the Draft 2013-2021 Housing Element Update, which amends the EGP.
- Amend the EGP Land Use Element for conformance.
- Amend the North 101 Specific Plan and Encinitas Ranch Specific Plan for conformance.
- Amend the Community Character and Voters’ Rights Initiative to modify building height limitations
- Amend the Zoning Code to add the R-30 Overlay Zone.
- Amend the Local Coastal Program’s (LCP) Land Use and Implementation Program portions to be consistent with the above.
- Certify the EA and Mitigation Monitoring and Reporting Program, which will become part of the EGP.

The following actions by the registered voters of Encinitas would be required for HEU approval:

- Public Vote on the HEU, and General Plan, Zoning Code, and Specific Plan Amendments, as provided by EMC Chapter 30.

Other Project activities or actions required by other agencies:

- California Coastal Commission to certify the LCP, as amended.
- California Department of Housing and Community Development (HCD) to review the EHE. GOV Code § 65585 requires that all California localities adopt housing elements, as part of their general plans, and submit draft and adopted elements to HCD for review of consistency with State law.

### **3.8.2 ANCILLARY ACTIONS**

All the previously summarized discretionary actions are required to implement the HEU. Zoning Ordinance amendments will be adopted later to implement the ancillary actions listed in Section 3.5.4.

### **3.8.3 FUTURE DEVELOPMENT**

Future development on R-30 sites that includes 20 percent lower income housing and no subdivision must be approved “by right” as defined in GOV § 65583.2(h). These developments would be exempt from CEQA and may not be subject to further discretionary review, but may be subject to design review pursuant to EMC Chapter 23.08, *Design Review*; see also Section 1.3.3 and *Design Review* discussion below. These developments would also be required to conform with all mitigation measures adopted as part of this EA. Future development on R-30 sites that does not qualify as a “use by right” would be subject to further discretionary review or approval by the City, including environmental review under CEQA.

#### **3.8.3.1 CEQA REVIEW**

Subsequent discretionary actions must be examined in the light of the 2016 PEIR and this EA to determine whether additional environmental clearance is required. Future development consistent with the rezoning program, the 2016 PEIR and this EA may tier from the 2016 PEIR/this EA, as permitted by State CEQA Guidelines § 15152; see Section 3.3.1. The 2016 PEIR and this EA comprehensively consider a series of related projects with the intent to streamline subsequent review of future development projects consistent with the intent of the proposed zoning program.

#### **3.8.3.2 DISCRETIONARY REVIEW**

Future development on R-30 sites not qualifying for “by right” approval would be subject to subsequent discretionary review and permitting, as required by EMC. Specifically, design review and subsequent discretionary review would be required for most subdivision map actions, as detailed below. Subsequent review is required for discretionary actions to entitle future development, including but not limited to Design Review, certain Subdivision actions, and Use Permits. Some future development would require subsequent discretionary approvals, as follows:

Design Review. All buildings, grading, landscaping, and construction projects in the rezoning program (including those that that qualify as a “use by right” and whether they require any other City permit or not) would be subject to design review unless exempted by EMC Chapter 23.08.

Subdivision. All projects in the rezoning program that create a subdivision would be subject to EMC Title 24, *Subdivisions*.



Coastal Development Permit. Projects within the Coastal Zone must be additionally processed and entitled pursuant to EMC Chapter 30.80.