

1. Introduction

The City of Encinitas Housing Element 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.

1.1 Role of Housing Element

The Housing Element as part of the Encinitas General Plan is developed to ensure that the City establishes policies, procedures, and incentives in its land use planning and development activities that result in the maintenance and expansion of the housing supply to adequately accommodate households currently living and expected to live in Encinitas. The Housing Element institutes policies that will guide City decision-making and establishes an implementation program to achieve housing goals through the year 2029.

1.2 Local Need

The City is facing some significant challenges when it comes to meeting its housing needs. Housing costs in Encinitas continue to climb, while the availability and variety of housing is lacking. According to HomeDex, a real estate data source for North San Diego County, in November 2019 the median sales price in Encinitas was 55 percent higher than the median sales price for the North County region. At the same time, the City has a growing population, and its existing residents have changing needs.

- Baby Boomers are aging, and the City's senior citizen population (over 60 years in age) is projected to nearly double by 2035. Many seniors will seek to downsize and move into smaller homes in areas with easy access to services, transportation and amenities.
- Millennials have been slower to buy single-family homes than earlier generations. Rising student debt, the cost of housing, and challenges in securing mortgages have contributed to this, but they often want different kinds of housing and neighborhoods than are available today. They are looking for pedestrian and bike-friendly communities with services and amenities nearby.
- According to SANDAG's regional growth forecast, Encinitas can expect an anticipated 11 percent population growth through 2050.

It is important to note that, while accommodating new residential development and providing housing for all economic segments of the community, Encinitas must also plan to provide the infrastructure needed to maintain existing levels of service and to ensure that residential development will not degrade the local environment, including the hillside areas, natural stream channels, and wetlands. All of these areas are viewed by residents as resources worth preserving, and the sites selected for housing preserve these amenities. Another important goal of this element is to ensure that the City embraces the distinct identity and character of its five communities and becomes a place where one can live their entire life with housing for all ages, incomes and abilities. The City envisions itself as a sustainable community that embraces its quality of life through environment, fiscal health, community health and equity. This Housing Element provides policies and programs to address these issues.

1.3 Housing Element and State Law

1.3.1 Background

The Housing Element of the General Plan identifies and analyzes the City's existing and projected housing needs and contains a detailed outline and work program of the City's goals, policies, quantified objectives, and programs for the preservation, improvement, and development of housing for a sustainable future. The Housing Element is one of the seven mandatory General Plan elements. The Housing Element identifies ways in which housing needs of current and future residents can be met.

1.3.2 State Requirements

California State Housing Element Law (California Government Code Article 10.6) establishes the requirements for the Housing Element of the General Plan. Specifically, Government Code Section 65588 requires that local governments review and revise the Housing Element of their comprehensive General Plans not less than once every eight years.

The California Legislature has determined that a primary housing goal for the State is ensuring every resident has a decent home and suitable living environment. Section 65580 of the Government Code describes the goals in detail:

- a. *The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.*
- b. *The early attainment of this goal requires cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians in all economic levels.*
- c. *The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of the government.*
- d. *Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for housing needs of all economic segments of the community.*
- e. *The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.*
- f. *Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.*

This Housing Element addresses the 2021-2029 planning period, which extends from April 15, 2021 to April 15, 2029. Because the City did not adopt the 5th Cycle 2013-2021 Housing Element within 120 days of the statutory due date, Government Code Section 65588(e) requires the City to adopt a subsequent mid-cycle update by April 15, 2025.

The Housing Element identifies housing programs aimed at new housing construction, rehabilitation, and conservation of the existing affordable housing stock. This Housing Element builds upon the land use goals and policies which are primarily concerned with where new housing is to be located and at what density it will be constructed. Other concerns of the Housing Element include the identification of strategies and programs that focus on housing affordability, rehabilitation of substandard housing, meeting the existing demand for new housing, eliminating constraints on housing development, affirmatively furthering fair housing, and maintaining an adequate supply of rental housing. The Housing Element includes Appendix A, Public Participation, Appendix B, the Housing Profile Report, and Appendix C, the Adequate Sites Inventory, which contain certain required Housing Element components.

1.3.3 Regional Housing Needs Assessment

Section 65583 of the Government Code sets forth the specific components of a jurisdiction's housing element. Included in these requirements is an obligation on the part of local jurisdictions to provide their "fair share" of regional housing needs. Local governments and Councils of Governments (COGs) are required to determine existing and future housing need and the allocation of said need must be approved by the California Department of Housing and Community Development (HCD). Encinitas is a member of the San Diego Association of Governments (SANDAG), and SANDAG is responsible for preparing the Regional Housing Needs Assessment for the territory that it represents. This Housing Element provides sites adequate to accommodate the City's fair share, as determined by SANDAG.

1.4 General Plan Consistency

The Housing Element is one of seven elements of the Encinitas General Plan and must be consistent with all of those elements. The Land Use Element, for instance, establishes the location, type, intensity and distribution of land uses throughout the City, and the presence and potential for jobs affects the current and future demand for housing at the various income levels in the City. The Circulation Element is designed to provide transportation facilities that can accommodate all planned development in the City.

As part of the adoption of the Housing Element, the City will modify policies in other elements if needed to achieve internal General Plan consistency.

1.5 Public Participation

Section 65583(c)(9) of the Government Code states that, "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort." Meaningful community participation is also required in connection with the City's Assessment of Fair Housing (AFH). A discussion of citizen participation is provided below and in more detail in Appendix A.

The City of Encinitas 5th Cycle Housing Element Update was completed and certified by HCD in October 2019. As part of the 5th Cycle Housing Element Update process, the City conducted extensive public outreach activities beginning in 2014.

Much of the information collected during these outreach activities is valid and applicable to the 6th Cycle Housing Element Update. Outreach efforts for the 5th Cycle included presentations to community groups, City Council and Planning Commission study sessions, numerous meetings

with a Housing Element Update Task Force, community workshops, digital media, numerous mailers, newspaper ads, and noticed public hearings.

As part of the 6th Cycle Housing Element Update, the City conducted additional outreach to the Encinitas community, including the following actions:

- **Community Workshop #1** – The city conducted a community workshop on November 18, 2019 at City Hall. The session provided an overview of the planning process and the City’s RHNA obligations and engaged in an interactive exercise to identify local housing issues and potential solutions.

The first workshop was also recorded and provided on the City’s website to allow additional opportunities to participate. The City provided an online feedback form with the identical information provided at the workshop.

Community Workshop #2 – A second community workshop was conducted on February 10, 2020 at the Encinitas Community Center, where the consultant presented on the City’s progress in preparing the 2021-2029 Housing Update (6th Cycle), the application of recent housing-related state law, and additional information relating to policies and programs proposed to be included within the 6th Cycle Housing Element. Following the presentation, the attendees were asked to participate in focused discussions on accessory dwelling units, development of housing for all income levels, governmental and non-governmental constraints, and fair housing issues and challenges. The City provided the presentation and summary of input received on the project webpage.

- **Joint City Council/Planning Commission Study Session** – A joint work session was held on December 11, 2019 before the City Council and Planning Commission. This publicly noticed meeting discussed the 6th Cycle Update process and allowed the City’s decision-makers to review data, receive public comment, and provide direction to staff on the content and policy of the Housing Element.
- **Affordable and Fair Housing Questionnaire** - In May 2020, the City of Encinitas released a questionnaire to obtain feedback about incentives, programs, and actions to encourage development of affordable housing; common barriers to obtaining housing; fair housing issues or challenges the City’s Housing Element should address; and challenges to building community awareness about fair housing.
- **Housing Element Update Fact Sheets** – A series of “fact sheets” were developed for public consumption. The fact sheets provide relevant information about the update process, key features of the housing element and a calendar of events for outreach activities. The fact sheets were made available to the public on the City’s project webpage, at public workshop, and at City Hall. **[Note: The second fact sheet to be completed prior to adoption.]**
- **Website** – A project page for the housing element update is located on the City’s website at: <https://encinitasca.gov/I-Want-To/Housing-Plan-Update/Housing-Update-2021-2029>.

In addition, to the 6th Cycle Housing Element Update, the City conducted additional outreach to the Encinitas community, including the following actions:

- **Consolidated Action Plan** - The Consolidated Action Plan is a five-year planning document that identifies needs within low-to moderate- income (LMI) communities and outlines how the City will address those needs. It guides investments and helps achieve HUD’s mission of providing decent housing, suitable living environments, as well as expanded economic opportunities for LMI populations. During the development of the Consolidated Plan, two community meetings were held at the Encinitas Library in October 2019, with 38 community members who provided feedback on what they identified as the City’s most pressing community needs. In addition, a community needs survey was offered in English and Spanish in both online and hard-copy format.
- **Special Fair Housing Outreach** – In addition to the Housing Element workshops, community workshops, targeted stakeholder interviews to service providers and local organizations, and a fair housing survey was conducted in Spanish and English as part of the development of the San Diego Regional Analysis of Impediments to Fair Housing. Public notice and additional outreach for the community workshop and surveys were circulated through local service providers and made available on the City’s Fair Housing webpage and at City Hall.
- **Public Housing Agency Plan** - In Winter 2020, the City conducted public outreach prior to the adoption of the FY 2020-25 Public Housing Agency Plan by the Housing Authority Board which included outreach to Section 8 tenants and landlords and a Resident Advisory Board Meeting that included tenant representatives from the Program. The 5-Year PHA Plans provides the City of Encinitas Public Housing Agency’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low-income families.

As required by Government Code Section 65585(b)(2), all written comments regarding the Housing Element made by the public have previously been provided to each member of the City Council.

Appendix A contains a summary of all public comments regarding the Housing Element received by the City at scheduled public meetings, and the Appendix has been provided to the City Council. ***[Note: This section to be updated prior to adoption to include additional public meetings and outreach.]***

1.6 Element Organization

This Encinitas Housing Element is comprised of the following sections:

- **Section 1: Introduction and Housing Element Goals, Policies and Implementation Programs** contain the Housing Element background and the requisite policies and programs to address housing need in the community.
- **Appendix A: Summary of Community Engagement** provides a summary of the community engagement activities that have occurred throughout the development of the Housing Element document.
- **Appendix B: Housing Profile Report** provides the required demographic analysis, needs, constraints, and 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.

2. Goals, Policies and Implementation Programs

This section of the Housing Element contains the goals and policies the City intends to implement to address important housing-related issues. The following three major issue areas are addressed by the goals and policies of the Housing Element:

- 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.

Each issue area and the supporting goals and policies are identified and discussed in the following section. In addition, housing programs that implement each goal and policy are summarized in a table located at the end of this section.

2.1 Housing Opportunities

The City wants to encourage the construction of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet existing and future needs. The maintenance of a balanced inventory of housing in terms of unit type (e.g. single-family, multiple-family, etc.), cost, and style will ensure that the existing variety is maintained. Each of the five communities has a distinct character due in large part to the nature of their existing residential neighborhoods. New housing constructed in the City should be compatible in design with the surrounding neighborhood in particular and the community in general. The diverse make-up of the City with its five distinct communities will continue to attract a wide variety of people. The City has also made a strong and firm commitment that fair housing practices will continue in Encinitas and that it will affirmatively further fair housing.

GOAL 1: THE CITY WILL ENCOURAGE THE PROVISION OF A WIDE RANGE OF HOUSING BY LOCATION, TYPE OF UNIT, AND PRICE TO MEET THE EXISTING AND FUTURE HOUSING NEEDS IN THE REGION AND CITY.

POLICY 1.1: Strive to maintain a balance of housing types in the City.

POLICY 1.2: Strive to provide a wide variety of housing types so that a range of housing needs and types will be made available to existing and future residents.

POLICY 1.3: When existing single-family residential units are replaced, they should be replaced with units that are compatible in design with the surrounding residential neighborhood as planned by the City.

POLICY 1.4: Provide opportunities for low and moderate income housing in all five communities in the City and ensure that its location will not tend to cause racial segregation and will provide access to areas of high opportunity. Require that such housing should be high quality in terms of design and construction without sacrificing affordability.

POLICY 1.5: Utilize available federal, state, and local financing sources and subsidies to assist in the development of lower and moderate income housing and housing serving special needs, such as farmworkers, persons with disabilities, and extremely low income persons.

POLICY 1.6: Encourage retention of all existing mobile home parks to the extent permitted by applicable state law.

POLICY 1.7: Coordinate with local social service providers to address the needs of the City's homeless population and to provide housing suitable for special needs populations, including seniors, large families, the disabled, and farmworkers.

POLICY 1.8: Continue to provide assistance to agencies that ensure that the provisions of the federal and state laws that prohibit housing discrimination are enforced.

POLICY 1.9: Support ongoing efforts of the state and federal agencies and local fair housing agencies to enforce fair housing laws, as well as regional efforts to affirmatively further fair housing.

2.2 Quality of Housing

New housing opportunities in the City must be made available to all persons.

GOAL 2: SOUND HOUSING WILL BE PROVIDED IN THE CITY OF ENCINITAS FOR ALL PERSONS

POLICY 2.1: Encourage developers to provide a balance of housing types and sizes.

POLICY 2.2: Adopt policies, including development fees, to ensure that there is adequate infrastructure and public facilities required to serve new housing.

POLICY 2.3: Allow for cluster-type housing and other innovative housing design that provides adequate open areas around and within these developments.

POLICY 2.4: Coordinate the provision of open areas in adjoining residential developments to maximize the benefit of the open space.

POLICY 2.5: Encourage street planting, landscaping, and undergrounding of utilities.

POLICY 2.6 Encourage high standards of design, materials, and workmanship in all construction and developments.

POLICY 2.7: Discourage residential development of steep slopes, canyons, and floodplains.

POLICY 2.8: Continue to develop and promote energy efficiency conservation measures consistent with the strategies outlined in the City's Climate Action Plan.

2.3 Maintenance and Preservation of Housing

Substandard and deteriorating housing units, in addition to the obvious problems of blight, can expose occupants to a wide range of hazards ranging from electrical fire to exposure to toxic substances used in construction. Many factors can determine the "life expectancy" of a dwelling, including quality of workmanship, age, type of construction, location, and numerous other factors. A major focus of this Housing Element is to provide goals and policies which underscore the City's commitment to ensure that the existing housing stock in the five communities is maintained.

GOAL 3: THE CITY WILL ENCOURAGE THE MAINTENANCE AND PRESERVATION OF THE EXISTING HOUSING STOCK AS WELL AS QUALITY DESIGN IN NEW HOUSING.

POLICY 3.1: Where determined to be dangerous to the public health and safety, substandard units in the City shall be repaired so that they will comply with the applicable building, safety and housing codes. When compliance through repair is not or cannot be achieved, abatement of substandard units shall be achieved.

POLICY 3.2: Enforce the building, safety and housing codes through active code enforcement efforts.

POLICY 3.3: Continue to apply for and support existing available federal state and local housing programs which provide housing assistance. These include assistance to property owners that can demonstrate financial need in the upgrading of their substandard units. Continue existing city programs for housing rehabilitation, and work to obtain additional external funding.

2.4 Housing Conservation

The City's existing housing stock includes units which are affordable to very low, low, and moderate-income households. A significant part of the City housing focus is on these existing affordable units, and how to ensure their continued affordability. Of particular concern are projects which were government-subsidized when built, in return for units being rent-restricted to be affordable. With passage of time, some deed-restricted affordable units may be subject to being converted to market-rate rental units by the expiration or pre-payment of the government subsidy arrangement. State law requires that local housing elements address the status of these "units at risk." The City is committed to doing what it can so that affordable units remain affordable to target-income households.

GOAL 4: THE CITY WILL ATTEMPT TO ENSURE THE CONTINUED AFFORDABILITY OF DEED-RESTRICTED AFFORDABLE UNITS.

POLICY 4.1: The City will continue to develop necessary actions to attempt to ensure the continued affordability of affordable "units at risk" of conversion to market rate units due to expiration of use restrictions, affordability covenants, or funding subsidies.

2.5 Removal of Governmental and Nongovernmental Constraints

GOAL 5: THE CITY WILL DEVELOP STRATEGIES AND ACTIONS TO REDUCE OR ELIMINATE GOVERNMENTAL AND NON-GOVERNMENTAL CONSTRAINTS TO THE DEVELOPMENT OF HOUSING.

POLICY 5.1: The City periodically evaluates adopted zoning provisions, entitlement procedures, fees and other city requirements that may create constraints to the development of housing and will implement policies to reduce or eliminate those constraints.

POLICY 5.2: The city will monitor non-governmental constraints, such as interest rates, construction costs, and others through consultation with developers, lenders and other entities directly involved in the provision of housing. Should non-governmental constraints be identified that are related to City policies, the City will modify its policies and procedures if City actions may help to reduce those constraints.

2.6 Related Goals and Policies

As required by state law, the Land Use Element sets standards for permitted uses and for residential density, thereby affecting housing opportunity in Encinitas. In addition, the Land Use Element contains policies directed at maintaining the existing housing stock, as well as ensuring the quality of new residential development. The Circulation Element contains policies to minimize roadway traffic into residential neighborhoods, and the Noise Element sets forth policies to minimize the level of noise in neighborhoods. The Resource Management Element establishes development standards to minimize the impact of residential development on sensitive resources, such as hillside areas, ecological habitat, and scenic view sheds. Finally, the Public Safety Element sets forth policies to ensure the safety of the City’s housing stock through such measures as code enforcement, and mitigation of environmental hazards as a condition to development.

Table 2-1: Housing Policy Matrix depicts General Plan elements that support the goals of the Housing Element.

Table 2-1: Housing Policy Matrix					
Issue Area	Land Use	Circulation	Resource Mgmt.	Noise	Public Safety
Housing Opportunities	X	X			X
Housing Quality	X				
Maintenance and Preservation	X	X	X	X	X
Housing Conservation	X				X

While each of the Encinitas General Plan Elements is independent, the Elements are also interrelated and must be consistent with each other. Certain goals and policies of each element may address issues that are primary subjects of other elements. This integration of issues throughout the General Plan creates a strong basis for the implementation of plans and programs and achievement of community goals.

The City will ensure internal consistency among the various elements in accordance with state planning law. This Housing Element builds upon other General Plan elements and is entirely consistent with the policies and proposals set forth by other elements of the General Plan. The City will ensure that future amendments to other elements in the General Plan remain consistent with the Housing Element.

2.7 Implementation Programs

The programs below identify the actions that will be taken 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 regional housing need for each income level.

PROGRAM 1: ADEQUATE SITES

PROGRAM 1A: Accommodate the City's Regional Housing Needs Assessment Allocation

The City of Encinitas has been assigned a total Regional Housing Needs Allocation (RHNA) of 1,554 dwelling units for the 2021-2029 Planning Period. The breakdown of the RHNA is as follows:

TABLE 2-2: CITY OF ENCINITAS RHNA ALLOCATION 2021-2029	
INCOME CATEGORY	RHNA
Very Low	469 units
Low	369 units
Moderate	308 units
Above Moderate	408 units
TOTAL	1,554 units

The very low income category is estimated to consist of a need for 235 extremely low income units and 234 low income units.

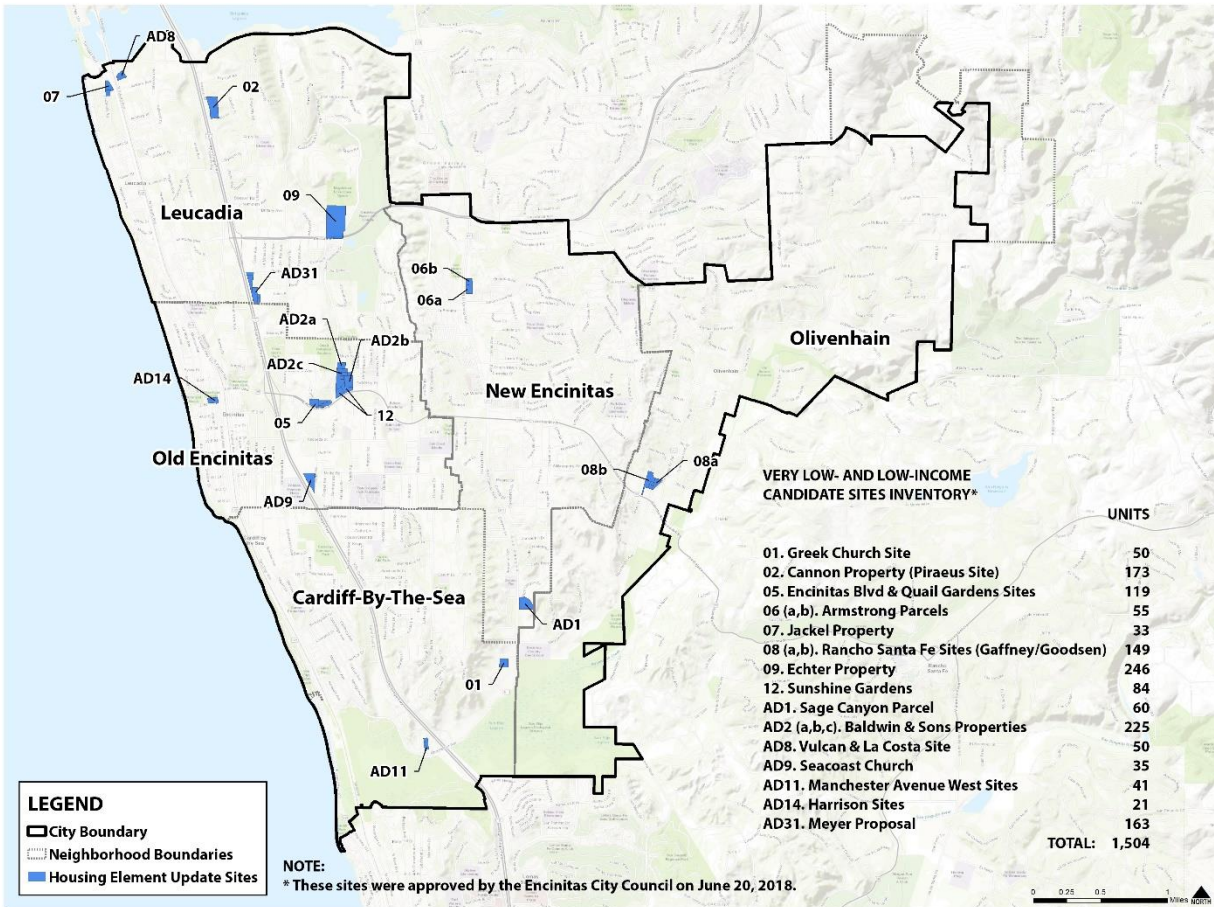
The City has identified adequate sites with appropriate zoning to accommodate the remaining RHNA and to accommodate the need for groups of all income levels as required by State Housing Element Law. Appendix C lists sites suitable for meeting the City's remaining need for above moderate and moderate-income housing. These sites can accommodate the need for housing at these income levels without the need for rezoning, as shown in Appendix C and summarized as follows:

TABLE 2-3: SITES AVAILABLE TO MEET MODERATE AND ABOVE MODERATE RHNA			
INCOME CATEGORY	2021-2029 RHNA	SUITABLE SITE CAPACITY	EXCESS CAPACITY
Moderate	308 units	518 units	210 units
Above Moderate	408 units	429 units	21 units
TOTAL	716 units	947 units	231 units

The City has also identified those sites identified to meet the very low and low-income RHNA need listed in **Table 2-4** and shown on **Figure 2-1**, the Housing Strategy Map; and further described in Appendix C.

TABLE 2-4: SITES AVAILABLE TO MEET 2021-2029 VERY LOW AND LOW INCOME RHNA				
Site Number	Site Name	Gross Acreage	Net Acreage	Unit Yield
<i>Vacant Sites¹</i>				
02	Cannon Property (Piraeus)	6.93	6.93	173
05	Encinitas Blvd & Quail Gardens Sites	4.91	4.78	119
06a	Armstrong Parcels	1.92	1.06	26 ²
08a	Rancho Santa Fe Parcels	1.75	1.45	36
AD1	Sage Canyon Parcel	5.23	2.40	60
AD2a	Baldwin & Sons Properties	3.14	2.98	74
AD2b	Baldwin & Sons Properties	6.66	4.86	121
<i>Subtotal</i>		<i>30.54</i>	<i>24.46</i>	<i>609</i>
<i>Non-vacant Sites</i>				
01	Greek Church Parcel	2.50	2.00	50
06b	Armstrong Parcels	1.32	1.16	29 ²
07	Jackel Properties	2.97	2.97	33 ³
08b	Rancho Santa Fe Parcels	4.88	4.57	113
09	Echter Property	21.49	9.85	246
12	Sunshine Gardens Parcels	3.39	3.39	84
AD2c	Baldwin & Sons Properties	1.79	1.21	30
AD8	Vulcan & La Costa	2.00	2.00	50
AD9	Seacoast Church	4.45	1.41	35
AD11	Manchester Avenue West Sites	1.67	1.67	41
AD14	Harrison Sites	1.91	1.91	21 ³
AD31	Meyer Proposal	6.62	6.52	163
<i>Subtotal</i>		<i>54.99</i>	<i>38.66</i>	<i>895</i>
Total		85.53 acres	63.12 acres	1,504 units
Notes:				
<p>1. HCD has stated to the City that vacant parcels must be entirely unimproved and separately subdivided parcels, and Table 2-4 reflects this direction. However, the City believes that the following sites should also be considered to be vacant: Site 01 (50 units) consists entirely of unimproved land, but has not been subdivided from the improved part of the site. Site 07 (33 units) consists of unimproved land and an abandoned, vacant structure. Site AD2c (30 units) has utility lines on a portion of the site which have been deducted from net acreage, but the parcel is otherwise entirely unimproved, and the utility lines would not prevent an owner from developing the site for residential units. In the City's view, these sites should be considered vacant, adding 118 additional units to the Unit Yield on vacant property, for a sub-total of 727 units on vacant sites, far above 50% of the unmet RHNA need for the planning period.</p> <p>2. HCD does not consider Site numbers 06a and 06b adequate sites to meet any portion of the Regional Housing Needs Allocation for lower-income households. The City acknowledges that it should not consider these sites available pursuant to Gov. Code Section 65863 absent additional information regarding site availability and owner interest in developing a residential project.</p> <p>3. Unit Yield anticipates that this site will be developed for mixed-use.</p>				

FIGURE 2-1: HOUSING STRATEGY MAP – VERY-LOW AND LOW-INCOME SITES



The City has identified privately owned sites accommodating 1,504 units to meet the 838-unit very low and low-income RHNA need for the planning period pursuant to Government Code Section 65583.2. This exceeds the RHNA lower income obligation of 838 units by 666 units (79 percent), providing an adequate buffer in consideration of the no net loss requirement under Government Code Section 65864; requirements of Section 65583.2 for determining site capacity; and desire to provide some flexibility for future development to property owners. The capacity of vacant sites is 609 units, 72 percent of the City’s total lower income RHNA. HCD does not consider sites numbers 06a and 06b adequate sites to meet any portion of the Regional Housing Needs Allocation for lower-income households; excluding these units, the sites identified still exceed the remaining RHNA lower income obligation by 611 units (73 percent), with 583 units accommodated on vacant sites (70 percent of the City’s lower income RHNA).

In addition to the available sites, the City has implemented a very active accessory dwelling unit (ADU) program that averaged 77 units per year in 2017 and 2018 and issued 102 building permits for new ADUs in 2019. The City estimates that at least 75 ADUs per year will be permitted in the sixth cycle, or 600 units total. Of these, based on City surveys (discussed in Program 1C), 147 ADUs are estimated to be affordable to lower income households, 102 ADUs to be affordable to moderate income households, and 351 ADUs to be affordable to above moderate income households, providing substantial additional capacity to meet the City’s RHNA. The estimated 147 ADUs affordable to lower income households will result in a total buffer of at least 758 units, over 90 percent of the City’s 838-unit RHNA obligation.

The sites selected also affirmatively further fair housing. All census tracts in the City are shown on the 2019 Tax Credit Allocation Commission Opportunity Map as areas of highest resource or high resource. Sites are located in all five communities and in all portions of the City. No part of the City is designated as an area of high segregation and poverty. As described in Appendix B, the City of Encinitas is predominantly white, with the white population comprising 88.7 percent of the City's population. There is no concentration of other racial or ethnic groups in the City that would indicate a highly similar and segregated area, and, as a consequence, the designated sites will not increase segregation in the City. Since the City has adequate capacity to accommodate the moderate and higher income RHNA categories of housing units, no zoning changes associated with this Housing Element update will occur on properties that are already zoned for those types of housing units.

State law requires that any non-vacant sites identified in a prior housing element must be zoned at 30 units per acre and allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households, if they are to be considered adequate for lower income housing. All the non-vacant sites shown to be suitable for lower income housing in Table 2-4 were also identified in the 5th cycle housing element. As discussed under Program 1B, the City in March 2019 rezoned each of these sites to permit 30 units per acre and to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. Because this zoning complies with state law, no additional rezoning program is required.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget • City Clerk Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council
Objectives:	<ul style="list-style-type: none"> • Maintain internal consistency with all General Plan elements. • Make available the sites inventory to interested developers.
Timeframe:	<ul style="list-style-type: none"> • Adoption of Housing Element by April 15, 2021

PROGRAM 1B: Monitor Sites Zoned to Accommodate Lower Income Housing

In March 2019, the City of Encinitas adopted Zoning Code Amendments to provide the necessary development standards and entitlement procedures appropriate for units affordable to lower income households and applied those standards to sites designated for lower income housing. These rezoned sites provide the adequate sites to accommodate the lower income RHNA growth need for the City's 2021-2029 Housing Element. The California Coastal Commission approved the Zoning Code Amendments in September 2019.

The Zoning Code allows for by-right development of housing up to 30 dwelling units per acre and provides the necessary development standards and entitlement procedures to ensure that that density can be achieved. 'By right' approval is specified for projects containing at least 20 percent lower income housing and not including a subdivision, as required by Government Code Sections 65583.2(c), (i), and (h), and, to prevent displacement caused by new construction, replacement

affordable housing is mandated on **all** sites identified in the Housing Element as required by Government Code Section 65583.2(g)(3). Under 'by right' approval, qualifying housing development projects are exempt from review under the California Environmental Quality Act, and only design review approval and a coastal development permit (for projects in the coastal zone) are required. The City reviews these applications for conformance with adopted general plan, zoning, and design review standards. The City cannot deny or reduce the density of a housing development project that conforms with all objective standards unless the project causes a "specific adverse impact" as defined in Government Code Section 65589.5.

To ensure these sites continue to provide viable opportunities to accommodate lower income households, the City will continue to monitor the appropriateness of development standards and entitlement procedures to ensure they do not create impediments to the development of housing for lower income households.

If existing adopted provisions, standards or other regulatory features are found to be an impediment to the development of housing for lower income households, the City will propose and implement additional provisions that further encourage the development of housing for lower income households to the extent consistent with State law. To date, however, most projects proposed on housing strategy sites have proposed more units than allocated in Table 2-4, as further discussed in Appendix C, indicating that the City's development standard are not an impediment to housing development.

Environmental review will still apply to future development projects on the Housing Strategy Map unless, as required by State law, the project includes 20 percent low income units and does not include a subdivision. Residential projects throughout the City may tier from the Measure T Housing Element's Program EIR or the Environmental Assessment completed for the 5th cycle Housing Element Update. The Environmental Assessment has been incorporated into the general plan, as required by State law, and contains objective environmental standards that all projects must comply with.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council
Objectives:	<ul style="list-style-type: none"> • Monitor sites zoned to accommodate lower income units to ensure these sites continue to be viable opportunities to accommodate lower income households.
Timeframe:	<ul style="list-style-type: none"> • Annual Monitoring • Annual Updates, as appropriate

PROGRAM 1C: Promote the Development of Accessory Dwelling Units

Accessory dwelling units (ADUs) help meet the City's affordable housing needs by providing a housing resource for seniors and low and moderate income households in Encinitas. The City will continue to apply Zoning Code regulations that allow accessory units (also known as second units or granny flats) by right in all residential zones, in accordance with State law.

Between January 1, 2010 and December 31, 2019, the City's ADU ordinance has resulted in the construction of 357 new units. Of these units, 154 were constructed in 2017 and 2018, an average of 77 per year, with 102 ADUs permitted in 2019. Thirty-eight were restricted for very low and low-income households. In April 2018, the City conducted additional survey efforts to determine affordability levels of second units built up to that date. The results of that survey effort revealed that 24.6 percent of the second units were rented at levels affordable to very low and low income households and 17 percent were rented at levels affordable to moderate income households. The City additionally surveys applicants for building permits regarding their intended use and rents for their ADUs.

After passage of new State ADU laws effective January 1, 2017 and January 1, 2020, the City applied State standards in evaluating ministerial applications for ADUs. The City adopted its own ADU and junior accessory dwelling unit (JADU) ordinances in March 2018 which contain numerous provisions that go beyond State law to encourage ADU and JADU construction:

- An owner may construct both an ADU and a JADU on one lot (regardless of the type of ADU).
- ADUs may have a maximum size of 1,200 sf so long as they do not exceed the floor area of the primary dwelling unit.
- Floor area ratios and lot coverage may be increased on lots less than 10,000 sq. ft.
- Development fees are waived.

In February 2019, the City completed its 'Permit Ready' program for ADUs. As a part of the program, staff and contract architects prepared packages of pre-approved designs for ADUs that may be used by owners and that provide expedited processing and reduced costs for applicants.

The City is updating its ADU ordinance to conform with additional changes in state law adopted in 2019. It is expected to be approved Fall 2020. The City of Encinitas will continue to amend the ordinance based on changes to State law and work with HCD to ensure continued compliance with State Law.

The City will also continue to monitor the extent of ADU production to ensure that the ordinance modifications are successful and that the Housing Element goals can be met. In addition, the City will continue to explore the availability of prefabricated tiny homes and micro-units that may be suitable for ADUs, with the intent of providing additional information to interested homeowners.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • California Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Amend the accessory unit ordinance to conform to amendments to state law and submit to HCD. • Monitor success of permit-ready packets to market accessory unit production. • Explore tiny homes and micro-units. • Issue building permits for an average of 75 accessory units annually.
Timeframe:	<ul style="list-style-type: none"> • Within one year after any future amendments are passed applicable to State Accessory Dwelling Unit law. • Annual Monitoring of ADUs

PROGRAM 1D: Develop Programs to Promote and Encourage Accessory Dwelling Units (ADUs) Affordable to Lower Income and Moderate Income Households

Accessory Dwelling Units (ADUs) provide the opportunity to accommodate additional housing opportunities for very-low, low and moderate-income households. The City has worked to reduce the cost of ADUs by providing 'permit ready' plans, allowing both a JADU and an ADU on a single lot, waiving all development fees, conducting community education, and providing streamlined processing. The City is currently developing and implementing appropriate programs and procedures to incentivize the development of ADUs affordable to lower income and moderate income households. The development of incentives will be based upon review and evaluation of current programs and policies, survey of programs from other agencies to determine the most feasible and effective alternatives. For instance, the City is exploring potential loan programs or other financial incentives to encourage the preservation and construction of ADUs that are affordable to lower and moderate-income households. The City is also reviewing other incentive programs that would encourage new ADU/JADU development at affordable rents, assistance for existing un-permitted ADU/JADU units to meet code compliance, and other forms of assistance. Programs such as the City of Los Angeles LA ADU Accelerator Program, Napa County Junior ADU Loan Program, and the Los Angeles County Second Dwelling Unit Pilot Program are being researched.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • City Council
Objectives:	<ul style="list-style-type: none"> • Survey and evaluate a variety of potential methods and strategies to encourage ADU development affordable to lower and moderate income households. • Adopt appropriate procedures, policies and regulatory provisions.
Timeframe:	<ul style="list-style-type: none"> • Evaluate ADU policies/programs 2021-2022; Ongoing • Develop appropriate procedures, policies and regulatory provisions by June 2023

PROGRAM 1E: Ensure that Adequate Sites Remain Available Throughout the Planning Period

The City will monitor the consumption of residential acreage to ensure an adequate inventory is available to meet the City’s 2021-2029 RHNA obligations. The City will develop and implement an evaluation procedure pursuant to Government Code Section 65863 and will make the findings required by that code section if a site is proposed for development with fewer units or at a different income level than shown in the Housing Element. Should an approval of development result in a reduction of capacity below the residential capacity needed to accommodate the remaining need for lower income, moderate, or above moderate income households, the City will identify and, if necessary, rezone sufficient sites within 180 days to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.

HCD does not consider site numbers 06a and 06b adequate sites to meet any portion of the Regional Housing Needs Allocation for lower-income households. The City acknowledges that it should not consider these sites available pursuant to Government Code Section 65863 absent additional information regarding site availability and owner interest in developing a residential project.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • City Council
Objectives:	<ul style="list-style-type: none"> • Review each housing approval on sites listed in the Housing Element and make findings required by Government Code Section 65863 if a site is proposed with fewer units or a different income level than shown in the Housing Element. If insufficient suitable sites remain at each income level, identify and, if necessary, rezone sufficient sites within 180 days. • Report as required through the HCD annual report process.
Timeframe:	<ul style="list-style-type: none"> • At the time of approval of a project on a site listed in the Housing Element • April annual report

PROGRAM 1F: Implement Energy Conservation and Energy Efficiency Opportunities

In January 2018, the City adopted an update to its Climate Action Plan. To further advance community energy and water conservation goals, the City is implementing the following actions listed in its Climate Action Plan to achieve residential-focused greenhouse gas emission reductions.

- Reducing citywide potable water consumption by implementing water rates that encourage efficient use.
- Requiring energy audits of existing residences as part of building permits for remodels.
- Requiring installation of solar photovoltaic systems in new housing, and requiring new single-family homes to install solar water heaters.
- Requiring residential electric vehicle charging stations in new development.
- Educating homeowners about water efficiency rebate and incentive programs offered to San Diego Water District and OMWD customers.

In addition, the City will continue to promote regional water conservation incentive programs and encourage broader participation in the City’s Green Building Incentive Program. The City’s Green Building Incentive Program provides financial incentives, priority plan check and recognition for projects that register and achieve certification through with Build It Green (BIG) GreenPoint Rated and/or US Green Building Council’s (USGBC) Leadership in Energy and Environmental Design (LEED) ®.

Funding:	• City Manager’s Office and Development Services Department budget
Responsible Agencies:	• City Manager’s Office • Development Services Department
Objectives:	• Implement the residential strategy measures listed in the City of Encinitas Climate Action Plan. • Promote and encourage regional water conservation incentive programs and City’s Green Building Incentive Program.
Timeframe:	• Ongoing

Program 1G – Water and Sewer Service Providers

Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City of Encinitas is required to deliver its adopted Housing Element and any amendments thereto to local water and sewer service providers. This legislation allows for coordination between the City and water and sewer providers when considering approval of new residential projects. Additionally, cooperation with local service providers will support the prioritization of water and sewer services for future residential development, including units affordable to lower-income households. The City will submit the adopted Housing Element to local water and sewer providers for their review and consideration when reviewing new residential projects.

<u>Funding:</u>	• <u>City Manager’s Office and Development Services Department budget</u>
<u>Responsible Agencies:</u>	• <u>Development Services Department</u>
<u>Objectives:</u>	• <u>Submittal of Housing Element to water and sewer purveyors</u>
<u>Timeframe:</u>	• <u>Upon local adoption of 6th Cycle Housing Element</u>

PROGRAM 2: AFFORDABLE HOUSING

The programs below identify the actions that will be taken to promote affordable housing.

PROGRAM 2A: Continue and Improve Inclusionary Housing Policies

In 2018, the City’s inclusionary housing program was amended to require that residential developments of at least seven units set aside either 10 percent of the units as affordable to very low income households, or 15 percent of the units as affordable to low income households. A variety of alternatives are offered, including use of accessory dwelling units, off-site construction, land dedication, preservation of 'at risk' housing, and in-lieu fees (except on sites designated to accommodate housing for very low and low income households). All required affordable units are required to be constructed concurrently with market rate units to ensure completion. Through December 31, 2019 the ordinance has created approximately 148 units for very low and low income households. Eighty-nine (89) of these units have been provided in addition to affordable units provided to obtain a density bonus.

The City has conducted additional studies (economic feasibility study, gap analysis, and nexus study) to adopt in-lieu fees for projects of seven units or more (except on sites designated to accommodate housing for very low and low income households), impact fees for projects with one to six units, and a supportable increase to the inclusionary requirement. The City intends to proceed with amending the Zoning Code in 2020 to increase the percentage of affordable housing required for residential development as justified by the economic feasibility study and to adopt a new affordable housing fee for smaller residential projects and residential care facilities.

The City will continue to evaluate its inclusionary ordinance to ensure it is effective and to evaluate its programs and policies to ensure that they are not a constraint on development. Should appropriate amendments be identified, the City will modify existing policies as needed.

<u>Funding:</u>	• Development Services Department budget
<u>Responsible Agencies:</u>	• Development Services Department • Planning Commission and City Council
<u>Objectives:</u>	• Adopt recommended amendments to inclusionary housing ordinance. • Continue to implement the inclusionary housing program. • Evaluate program effectiveness and impact on housing production.
<u>Timeframe:</u>	• Adopt recommended changes to inclusionary ordinance by December 2020. • Annual analysis of results of inclusionary program.

PROGRAM 2B: Facilitate Affordable Housing for All Income Levels

The City will continue to proactively support housing for low income, very low income, extremely low income, and moderate income households and persons with disabilities (including developmental disabilities). State and federal funding is available only for lower income housing. The City has used a wide variety of financing and incentive programs to create 308 deed-restricted affordable units, all but three affordable to very low and low-income households, using federal Community Development Block Grants and HOME Investment Partnership funds, City affordable housing funds, tax credits, other HUD financing, inclusionary requirements, density bonus incentives, and legalization of units constructed illegally.¹ Of these units, 152 are in multi-family developments. In addition, the City administers housing choice vouchers (Section 8) adequate to subsidize 96 households, as discussed in Program 2C.

As opportunities arise, new funding sources for lower income multi-family housing will be sought from available non-profit, local, state, and federal programs, and the City will seek to partner with other agencies that own property in Encinitas, including San Diego County and North County Transit. The City will also continue to utilize its existing CDBG and other funds. Planning and entitlements should consider how to position an affordable lower income project to qualify for future grant applications. The City will attempt to subsidize off-site public improvement costs by coordinating its CIP with ~~affordable~~ housing sites suitable for lower income housing and is considering the waiver, deferral or reduction of development fees. For any publicly owned housing sites, land cost write-downs will be sought to make possible affordable lower income housing.

The City will also work with developers to facilitate affordable lower income multi-family housing development. Specifically, as funding permits, the City will provide gap financing to leverage State, federal, and other public affordable funding sources. Gap financing will focus on multi-family rental housing units affordable to lower income households and households with special needs (such as seniors and disabled). To the extent feasible, the City will also ensure a portion of the affordable housing units created will be available to extremely low income households.

As of winter 2020, rents for studios and one-bedroom apartments were affordable to moderate-income households, but larger units were not affordable. The City has encouraged development of moderate-income housing by adopting specific plans permitting moderate densities. Because no funding is available to support moderate-income housing, the City has adopted measures that will encourage 'affordability by design,' especially for units of two-bedrooms or more. In particular, the City has limited average unit size to 1,000 square feet for rental units and 1,150 square feet for ownership units on sites zoned to accommodate lower income multi-family housing. Employing such strategies will help ensure that units identified on the housing strategy map as affordable to lower-income households are not designed as luxury homes, yet can accommodate families with children and provide opportunities for moderate and lower-income households.

Additionally, the City has retained a housing consultant to facilitate opportunities for affordable housing lower income multi-family housing; work with the development community to identify locations and opportunities to construct new affordable lower income multifamily housing;

¹ The figure includes 44 density bonus units; 90 inclusionary units; 133 misc. affordable housing programs units, 23 homebuyer program units, 2 HOME units, 16 City-owned units.

preserve existing affordability restrictions; and acquire or rehabilitate units for affordable lower income housing purposes.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget, CDBG and HOME funds, Affordable Housing Fund, LIHTC, Multifamily Housing Revenue Bonds, Cap and Trade Affordable Housing Program, National Housing Trust Fund and other resources, as available
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council
Objectives:	<ul style="list-style-type: none"> • Annually allocate designated Affordable Housing Funds and CDBG funds to increase the supply of affordable housing for lower income households, including seniors, extremely-low and lower income households, disabled, homeless and those at risk of homelessness. Seek to leverage these funds with federal, state, and County HOME funds to increase the amount of affordable <u>lower income multifamily</u> housing on housing strategy sites. • Work with developers of housing strategy sites identified in Policy 1A and nonprofit developers to identify opportunities to increase the percentage of <u>affordable-lower income</u> housing above that required by the City's inclusionary ordinance by encouraging developers to apply for available funds and utilize other creative mechanisms, with the goal of developing 250 <u>affordable-lower income</u> units. • Analyze sites owned by the City and other public agencies (including San Diego County and the Transit District) to identify those that could be suitable to support <u>affordable-lower income</u> housing development and determine whether housing development would be feasible and what actions would be needed to develop <u>lower income multifamily</u> housing on those sites. • Encourage the development of sites designated for moderate-income housing by continuing to implement the City's adopted specific plans. To achieve 'affordability by design,' consider adoption of maximum <u>unit</u> size limits for sites designated for moderate-income housing.
Timeframe:	<ul style="list-style-type: none"> • Annual allocation of available funds. • Ongoing meetings with developers of housing strategy sites and nonprofits. • Prepare inventory of City surplus land no longer required for the City's use by December 31 of each year, beginning December 31, 2020. • Review suitability of <u>other sites owned by other publicly owned agencies sites</u> by December 31, 2023. • Review development standards applicable to moderate-income sites to encourage 'affordability by design' by December 31, 2022.

PROGRAM 2C: Utilize Section 8 Housing Choice Vouchers

The Section 8 Housing Choice Voucher Program provides rental assistance to eligible extremely low and very low income households (with incomes not exceeding 50 percent of the area median). The subsidy represents the difference between the rent that exceeds 30 percent of a household's monthly income and the actual rent charged. To cover the cost of the program, U.S. Department of Housing and Urban Development (HUD) provides funds to allow the City of Encinitas Housing Authority to make housing assistance payments on behalf of the families. HUD also pays the Housing Authority a fee for the costs of administering the program. The Housing Authority Board is required to prepare and approve a five-year Public Housing Agency (PHA) Plan in order to continue receiving federal housing funds for its use in providing assistance to residents. The FY2020-25 PHA Plan was approved by the Housing Authority Board on March 18, 2020. The goals identified in the Plan include:

- Manage the EHA's existing Section 8 program in an efficient and effective manner;
- Expand the quantity and quality of housing choices to participants;
- Ensure compliance with Fair Housing Law; and
- Ensure compliance with the Violence Against Women Reauthorization Act of 2013 (VAWA).

In January 2004 and January 2005, HUD capped the Section 8 budget, which required the City to reduce program operating costs. The City responded in part by increasing the payment standards and enhancing occupancy standards which provides for more rental unit opportunity. On March 1, 2013, around \$85 billion in federal budget cuts, known as sequestration, took effect. The impact of sequestration on the City's Housing Authority has resulted in the loss of annual funding for rental subsidy payments and program administration. HUD has not issued any new vouchers to the City of Encinitas for at least the past five years.

Although the City will continue to administer its 136 housing vouchers, due to high market rents, especially considering the recent implementation of Small Area Fair Market Rents, there is currently funding available to subsidize only 96 households, and the City has allocated general fund dollars to pay for administrative costs to replace in part declining federal support. The City's ability to expand or even maintain this program at its current level is derived from the annual Federal budget process. In late 2018, the San Diego Housing Commission conducted a rent survey for the entire San Diego region and submitted the results to HUD to demonstrate the need for additional funding due to rising rents. As a result, HUD provided an increase of 13% in funding in 2019 to allow the City to maintain the program at its current level. There is no indication from HUD are that Federal support for Section 8 will be expanded. However, when-if additional funds become available to assist new families, the City will provide additional housing vouchers.

As of August 2020, there are 1,030 and has the capacity to administer all of its vouchers. 956 households are on the waiting list. Of these, 68 percent are extremely low income and 25 percent are low income. Thirty-four-33 percent are seniors, 30 percent are families with children, and 42 percent are families with disabilities disabled. Over half of the waiting list applicants identified needing a one-bedroom apartment, and around half identified as currently living in or working in Encinitas.

The City has a designated program manager that assists the landlords and voucher recipients throughout the process including searching for and educating landlords about the Section 8 Voucher Program and assisting voucher recipients with the paperwork and questions. Of the 96

vouchers, 84 support families at extremely low income level, 10 very low income and two low income; 47 percent of residents are seniors, and 28 percent are disabled. Vouchers are utilized throughout the City in mostly market-rate rentals; however 14 of the recipients reside in City-owned affordable units. In the past, only about 70 percent of voucher holders were able to find units in the City. Since the State law was changed in 2020 to forbid discrimination based on use of a Section 8 voucher, opportunities appear to have opened up for voucher holders to find units in Encinitas, although no data is available as the requirement is still new.

The City understands that availability of Section 8 Housing Choice vouchers are based on annual allocation of federal funds. As the City's historic funding availability from HUD has not met current needs, the City will proactively promote and encourage expansion of funding opportunities through collaboration with Federal, State, and Local agencies.

The City will strengthen outreach, education and support to those residents/families currently on the waitlist and help facilitate the provision of interim supplemental services and referrals until waitlisted applicants receive Section 8 Housing Choice vouchers. The City will evaluate current and future waitlists and collaborate with regional, state and federal partners to provide direct outreach to those persons on the waitlist and facilitate additional and/or interim assistance.

Funding:	<ul style="list-style-type: none"> • HUD Section 8 Housing Choice Voucher Allocations
Responsible Agencies:	<ul style="list-style-type: none"> • Encinitas Housing Authority
Objectives:	<ul style="list-style-type: none"> • Continue to administer and fund the housing choices vouchers based on HUD funding availability. • <u>Promote and encourage expansion of funding opportunities through collaboration with Federal, State, and Local agencies.</u> • <u>Provide direct outreach to waitlisted and potential program participants through programs such as workshops, print materials, online materials, and direct contact.</u> • <u>Identify appropriate supplemental services and/or referral programs.</u> • Continue to implement <u>and update</u> the Public Housing Agency (PHA) Plan. <u>available on the City's website: https://encinitasca.gov/Resident/Housing-Resources/Section-8-Program.</u> • <u>Promote the Housing Choice Voucher program to rental property owners and <u>managers through direct mail annually and to the public through an informational meeting.</u></u> • <u>Work with appropriate service providers to educate property owners and managers regarding non-discrimination and other applicable provisions in state laws through community presentations, articles, and other media. See Program 5A.</u> • educate owners regarding non-discrimination provisions in state law. • <u>Explore interim, additional or alternative funding sources to support current and future Section 8 waitlist applicants.</u>
Timeframe:	<ul style="list-style-type: none"> • <u>Ongoing <u>administration of the House Choice Vouchers</u></u> • <u>Update the PHA Plan in 2025</u> • <u>Promote Housing Choice Voucher Program annually.</u> • <u>Develop additional outreach methods and supplemental services in December 31, 2021.</u>

PROGRAM 2D: Ensure that the Density Bonus Ordinance Continues to be Consistent with State Law

Government Code Section 65915 requires that a jurisdiction adopt a local Density Bonus Ordinance consistent with State law. State Density Bonus Law requires a local jurisdiction to grant an increase in density, if requested by a developer, for providing affordable housing as part of a development project. Key provisions of the law include incremental density bonuses that correspond to the percentage of housing set aside as affordable units. For most projects, State law caps the maximum density bonus at 35 percent and allows the developer to request up to three incentives or concessions, if required to provide the affordable units. The law also provides reduced parking requirements and allows requests for waivers of development standards, such as increased height limits and reduced setback requirements. Projects that are

at least 80 percent affordable to lower income households may obtain a bonus of 80 percent of the number of lower income units plus four incentives; those within one-half mile of a major transit stop have no density limit and may obtain an additional three stories or 33 feet. The developer must provide reasonable documentation demonstrating that incentives reduce costs to provide for affordable units; and that waivers are required because the usual standards physically preclude the project from achieving the allowed density and incentives.

Many developers in the City utilize State Density Bonus Law, and the City has a standard procedure for routinely processing density bonus applications as part of housing development applications. Projects that meet the City's inclusionary requirements are eligible for density bonuses. As of December 2019, the City had approved 33 density bonus projects that included 62 lower income units. The City's implementing ordinance is consistent with the amendments to State Density Bonus Law enacted through 2017. The City is processing an amendment to the ordinance to conform with additional changes in state law adopted in 2019 which is expected to be approved in Fall 2020.

The City will continue to update the ordinance as needed to ensure that its local ordinance remains consistent with State law but will apply current state law even before local amendments are adopted. The City commits to continue to review and approve eligible requests under State Density Bonus Law (including requests for incentives, concessions, waivers, and parking reductions) so that projects that qualify are not prevented from developing at the densities to which they are entitled. Moreover, the City will continue to review and approve projects under density bonus law without applying any requirements of Proposition A.

Funding:	<ul style="list-style-type: none"> • Development Services Department Budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • Coastal Commission
Objectives:	<ul style="list-style-type: none"> • <u>Ensure the City's density bonus ordinance is consistent with future amendments to State density bonus law.</u> • <u>Survey and evaluate a variety of potential methods and strategies to encourage development affordable to lower and moderate income households.</u>
Timeframe:	<ul style="list-style-type: none"> • Within one year after amendments are passed applicable to State Density Bonus law.

PROGRAM 2E: Accommodate Specialized Housing Types to Assist Persons with Special Needs

Special needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific circumstances. The development of affordable and accessible homes is critical to expand opportunities for persons with special needs. Many special needs persons, especially those in emergency shelters, transitional and supportive housing, and single-room occupancy units, may be extremely low income individuals, and implementation of the zoning changes below enable development of housing serving their needs.

The City has amended its Zoning Code to be consistent with State law regarding the following sections. For all amendments below, the revised standards will be effective following approval from the California Coastal Commission.

Qualified Employee Housing:

Pursuant to the State Employee Housing Act (Section 17000 et seq. of the Health and Safety Code), employee housing for agricultural workers consisting of no more than 36 beds in group quarters or 12 units or spaces designed for use by a single family or household is permitted by right in a zoning district that permits agricultural uses by right. Therefore, for properties that permit agricultural uses by right, a local jurisdiction may not treat employee housing that meets the above criteria any differently than an agricultural use. The Act also requires that any employee housing providing accommodations for six or fewer employees be treated as a single-family structure, with no conditional or special use permit or variance required. The City has amended the Zoning Code to include these provisions.

Emergency Shelters:

The City amended its Zoning Code in February 2019 to accommodate emergency shelters pursuant to State law. Government Code Section 65583(a)(4) requires local governments to identify one or more zoning categories that allow emergency shelters (year-round shelters for the homeless) without discretionary review. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. Pursuant to State law, the City may establish only objective standards for the location, siting, operations and maintenance of emergency shelters.

The City's Zoning Code permits 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 the above standards. The City is in the process of amending its ordinance to ensure that no more parking is required than needed to accommodate all staff working in the shelter. This is expected to be approved in Fall 2020.

Transitional and Supportive Housing:

State Housing Element Law mandates that local jurisdictions allow for transitional and supportive housing in residential zones. The City has amended its Zoning Code to identify transitional/supportive housing meeting the Government Code Section 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.

Single-Room Occupancy (SRO) Housing:

SRO units are typically one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other and could be equivalent to an efficiency unit. State law requires that the City accommodate this housing type, and they provide smaller, less expensive housing units. The City has amended its Zoning Ordinance to permit SROs in its multifamily zones to encourage units that are cheaper by design.

Supportive Housing and Low Barrier Navigation Centers:

State law provisions have recently been modified to require approval 'by right' of supportive housing with up to 50 units and low barrier navigation centers that meet the requirements of State

law. If the City receives applications for these uses, it will process them as required by State law. The City will adopt policies and procedures for processing these uses.

The City will continue to annually monitor the effectiveness and appropriateness of existing adopted policies. Should any amendments be required to existing policies pursuant to State law, the City will modify its existing policies, as appropriate.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Ensure the Zoning Code is consistent with State law relative to special needs housing. • Adopt policies and procedures for processing supportive housing and low barrier navigation centers; ensure that any application for supportive housing or a low barrier navigation center is processed 'by right' as required by State law.
Timeframe:	<ul style="list-style-type: none"> • Annual monitoring of state laws regarding special needs housing. • Adopt policies and procedures for processing supportive housing and low barrier navigation center by December 31, 2022.

PROGRAM 2F: Continue Programs to Reduce Homelessness

The City has provided financial assistance to nonprofit service agencies such as the Community Resource Center, YMCA-Oz North Coast, Fraternity House, Catholic Charities, Interfaith Shelter Network, and Jewish Family Services to provide shelter and supportive services for the homeless, including for a 25-car Safe Parking Program within the City. The City also provides funding to the Community Resource Center to operate the Opening Doors program, which matches homeless households with housing navigators and housing resources, to ultimately be placed into permanent housing.

The City will continue to work with regional agencies to identify the annual and seasonal need for homeless in Encinitas through the “We All Count” program conducted through the San Diego Regional Task Force on the Homeless. The City will support and advance programs and policies to address the identified annual and seasonal need in Encinitas.

To the extent that funds are available, the City will continue to sponsor or assist emergency shelter facilities, inside City limits or outside within a reasonable proximity to the City, as well as encourage or support facilities by providing grants, or low cost loans, to operating agencies.

In October 2019 City Council directed the development of a Homeless Action Plan, which commenced in January 2020. The purpose of the Homeless Action Plan is to:

- Understand current homeless population needs;
- Identify, develop and improve homeless services and partnerships;
- Assess the City’s current efforts to address homelessness and provide recommendations to ensure that the City is maximizing its resources and impact within the community; and

- Assist in setting goals and actions to ensure that the City of Encinitas continues to move toward its goal of reducing homelessness.

Funding:	• City General Fund
Responsible Agencies:	• Development Services Department • City Manager • City Council
Objectives:	• Develop a Homeless Action Plan • Continue to support programs to prevent homelessness and serve homeless persons to the extent funds are available.
Timeframe:	• Adopt the Homeless Action Plan by Fall 2020. • Ongoing <u>Implementation</u>

Program 2G– Manufactured Housing

State law (Government Code Section 65852.3) requires that the Ceity’s zoning code allow and permit manufactured housing in the same manner and in the same zone as conventional single-family and multifamily residential structures are permitted. Specifically, to comply with state law, manufactured homes should only be subject to the same development standards as conventionally constructed residential dwellings. The City will amend, as appropriate, –the Encinitas Zoning Code and specific plans to permit manufactured housing consistent with State law.

<u>Funding:</u>	• <u>City General Fund</u>
<u>Responsible Agencies:</u>	• <u>Development Services Department</u>
<u>Objectives:</u>	• <u>Revise the Zoning Code and Specific Plans, as appropriate, to ensure consistency with state law regarding manufactured homes</u>
<u>Timeframe:</u>	• <u>Adopt required changes to Zoning Code and Specific Plans by December 2021.</u>

PROGRAM 3: MITIGATION OF CONSTRAINTS

The City reviews and updates development standards and processing procedures that constrain housing development, particularly for lower and moderate-income households. The programs below list steps to be taken to remove governmental constraints that limit the ability to maintain, improve, and develop housing for all income levels. The City will also attempt to understand and,

where possible, modify nongovernmental constraints that create a gap between the City's approval of housing and construction of housing.

PROGRAM 3A: Establish Parking Standards Appropriate for Different Kinds of Housing

Basic construction costs for residential developments have rapidly increased, and together with land prices, have increased the cost of housing. This has made homeownership and affordable rentals unattainable for many households. Parking is more expensive to supply in some places, so parking requirements add a cost to development, and a developer might build fewer housing units or may not develop at all if parking standards are excessive.

The Downtown Encinitas and the North 101 Corridor Specific Plans contain modified parking standards to encourage mixed-use and affordable housing development. Mixed-use units that are guaranteed to be affordable to low or very low income households are allowed a reduced, one-space-per-unit parking requirement. State Density Bonus Law allows even lower parking standards for projects eligible for a density bonus, whether or not a density bonus is requested. Any project of seven units or more that provides on-site affordable housing in compliance with the City's inclusionary ordinance is eligible for the reduced parking standards provided by State Density Bonus Law. In addition, in 2019 reduced parking standards were adopted for deed restricted affordable housing in the R-30 overlay zoning district that allows one space per unit for studios and one bedrooms, 1.5 spaces per unit for two bedrooms, and 2 spaces per unit for three or more bedrooms. How people travel continues to change as more focus is being placed on alternative modes of transportation such as bikes and rideshares and on remote work. The City looks to update its housing standards to reflect current and anticipated parking needs and to adopt parking standards appropriate for affordable, senior-aged, mixed-use, and transit-oriented housing projects. The City is currently updating these parking standards, which are expected to be approved Fall 2020.

Funding:	<ul style="list-style-type: none"> • Departmental budgets
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Public Works Department • Planning Commission • City Council • Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Update the City's parking regulations.
Timeframe:	<ul style="list-style-type: none"> • 2020 adoption of all code amendments • 2021 Coastal Commission certification of Local Coastal Program Amendments

PROGRAM 3B: Modify Regulations that Constrain the Development of Housing

Governmental constraints are policies, standards, requirements or actions imposed by the various levels of government upon land, housing ownership and development. Although federal and state agencies play a role, the City cannot modify the policies of these agencies and they are therefore not addressed in this program section.

In 2019, the City of Encinitas identified potential constraints to the development of housing, including ground-floor commercial only uses, findings for residential projects related to density and design, and airspace ownership requirements. Through ordinance amendments made in

2019, the constraints related to findings and airspace ownership were removed. Working with the development community, the City will continue to evaluate regulations that may pose a constraint to the development of housing and modify them if consistent with State law.

Ground-Floor Commercial Uses Only:

Portions of the North 101 Corridor Specific Plan and Downtown Encinitas Specific Plan have mixed-use zones where residences are allowed. However, 1) ground floor uses in a storefront location are limited to retail-serving uses only; or 2) residential uses are permitted only above or behind a primary use. It may be difficult to market and develop a property with these ground floor commercial requirements because there is a finite economic market available to support retail uses. Mixed-use thrives when it is focused in a compact area, not over lengthy corridors, as is currently mandated in these specific plans. For mixed-use projects, the City will 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~~ pedestrian-oriented design features are preserved. Key locations will be determined by the City Council. City staff is reviewing mixed-use development standards and identifying key locations where ground floor commercial uses are preferred to present to City Council for direction on any future amendment to the Municipal Code.

Objective Design Standards:

The Housing Accountability Act and SB 35 require that the City review housing development projects based on objective standards. The City is undertaking revisions to its design guidelines and development standards to adopt more clear and objective standards related to the architectural review of residential developments and other areas.

The City has hired a consultant to review and develop the design guidelines and zoning standards to provide clear objective standards. This ordinance is expected to be approved in Winter 2020.

Funding:	<ul style="list-style-type: none"> • Departmental budgets
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council • Coastal Commission
Objectives:	<ul style="list-style-type: none"> • Remove potential constraints to residential development. • Work with the development community to identify potential constraints. • Review ground floor retail requirements in mixed use zones and remove where unnecessary or infeasible. • Revise design guidelines and zoning standards to ensure they are objective standards.
Timeframe:	<ul style="list-style-type: none"> • Annual review of development standards • <u>December</u> 2020 adoption of code amendments relating to ground floor commercial uses and objective standards. • <u>February 2021</u> Coastal Commission certification of proposed amendments relating to ground floor commercial uses and objective standards.

PROGRAM 3C: Right to Vote Amendment

In 2013, a citizen initiative resulted in the Right to Vote Amendment (Proposition A), which requires voter approval of increased residential densities, use changes to permit residences, and building heights higher than two stories. Proposition A cannot be modified except by another vote of the people or a court order. While this 2021-2029 Housing Element proposes no land use or zoning modifications that require a vote of the people, Proposition A may require a vote prior to the adoption of future Housing Elements. The City will take actions to ensure that future Housing Elements may be adopted in a timely fashion and that requirements for a vote of the people are modified so that they do not constrain the City’s compliance with State law.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department
Objectives:	<ul style="list-style-type: none"> • Take actions in advance of the next Housing Element due date (April 2025) to ensure that future Housing Elements and implementing actions (i.e., amendments to the Land Use Element, upzoning of sites in connection with the adoption of the Housing Element, upzoning of sites to the extent required by Gov’t Code § 65863, and adoption of development standards required to implement a Housing Element) can be adopted in a timely fashion consistent with State law. These actions may include and are not limited to one or more of the following: <ul style="list-style-type: none"> • Submitting a ballot measure to the voters to amend Proposition A so that a simple majority of the City Council may adopt future Housing Elements and implementing actions without requiring a vote of the people. • Establishing a schedule so that approval actions are taken sufficiently in advance of the Housing Element due date to allow for a vote, if required. • Identifying well in advance of the Housing Element due date additional sites that may be required to be upzoned for Housing Element adoption. • Including a buffer of sites when adopting the Housing Element to ensure that adequate sites will remain throughout the planning period, and that there will be no need to upzone sites during the planning period to comply with the 'no net loss' statute (Gov’t Code § 65863). • Completing an economic feasibility analysis and amending the City’s Inclusionary Housing Ordinance to require that affordable housing be developed on each identified site to the maximum amount that is economically feasible, so that each site is developed at the designated income level to the extent feasible. • Providing assistance to owners of sites suitable for lower income housing to identify subsidy sources that could support a higher percentage of lower income housing.

Timeframe:	<ul style="list-style-type: none"> Commence development of the next Housing Element at an early date and commence any required rezoning prior to Housing Element adoption to ensure that an adequate housing element may be approved by a simple majority of the City Council prior to the due date.
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PROGRAM 3D: Improve the Efficiency of the Development Review Process for Housing Projects

The City continues to improve the efficiency of the development review process. Recently, the City improved its permitting process by placing more information on the City’s website; implemented an Internet-based case management system, which is accessible to the public, that tracks permit review and status; established an interdepartmental team (Project Issue Resolution) that quickly resolves problems and issues as they arise; and formed a Development Services Department that combines planning and engineering services to facilitate project review. In conformance with Government Code Section 65940.1 (SB 1483), the City has posted on its web site a current schedule of fees, application forms, zoning ordinances, and other information, and updates the information within 30 days of any changes. The City will continue to find opportunities to streamline the permitting process to remove unnecessary barriers, while implementing objective design standards, without compromising public health, ~~safety~~ and safety. ~~The City and community character and~~ will process projects outside the coastal zone under SB 35 if requested by an applicant for an eligible project. The City will emphasize working with non-profit and for-profit housing developers to better utilize an expedited process, which would include priority plan review and inspection services. Streamlining includes the environmental review already completed for this Housing Element to address as many environmental issues as possible to focus future environmental review on project-specific issues and to apply the objective standards included in the Environmental Assessment.

In 2019, the City adopted zoning code amendments that provide for 'by right' approval on R-30 lots for projects containing at least 20 percent lower income housing and not including a subdivision, as required by Government Code Sections 65583.2(h) and (i). In addition, the City has hired a consultant utilizing SB2 funding to assist in the development of an expedited permit process and education materials.

Funding:	<ul style="list-style-type: none"> Development Services Department budget
Responsible	<ul style="list-style-type: none"> Development Services Department
Objectives:	<ul style="list-style-type: none"> Expedite permit processing for projects <u>housing developments</u> that exceed the City's inclusionary requirements and provide on-site affordable housing. To the extent permitted by State law, use existing environmental documents to limit review of new developments to impacts not considered in the earlier document. Apply the objective standards included in the Environmental Assessment. Develop an SB 35 application form and processing procedures.

Timeframe:	<ul style="list-style-type: none"> • Ongoing • <u>Develop and execute the new expedited permit process and education materials by February 2021.</u> • Develop an SB 35 application form and processing procedures by December 31, 202<u>0</u>4.
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PROGRAM 3E: Review Nongovernmental Constraints Impeding Development of Approved Housing Projects

Most housing developments approved by the City have received building permits within a reasonable time period. However, in some cases building permits or final maps have not been obtained. The City will contact applicants to discover why units have not been constructed two years after approval. If due to nongovernmental constraints, such as rapid increases in construction costs, shortages of labor or materials, or rising interest rates, to the extent appropriate and legally possible, the City will seek to identify actions that may help to remove these constraints.

Additionally, the City will proactively work with stakeholders to identify nongovernmental constraints or other considerations that may impede the construction of housing in the Encinitas. The City will work collaboratively to find strategies and actions that can eliminate or reduce identified constraints.

Funding:	• Development Services Department budget
Responsible	• Development Services Department
Objectives:	<ul style="list-style-type: none"> • Contact applicants of projects to discover nongovernmental constraints preventing construction two years after approval. • To the extent appropriate and legally possible, identify actions that may help to remove these nongovernmental constraints.
Timeframe:	• In 2020, complete contacts to applicants who have not received permits two years after approval, and every two years thereafter.

PROGRAM 3F: Seek to Create Community Support for Housing at a Variety of Income Levels

The City will work with the community, in conjunction with Program 3C, to achieve community support for housing at a variety of income levels. The City may pursue this through policy and regulatory strategies such as ensuring that higher density housing developments are of excellent design quality. If additional infrastructure improvements are required to accommodate increased housing development, the City will proactively amend its capital improvement program.

Funding:	• Development Services Department budget
Responsible	• Development Services Department

Objectives:	<ul style="list-style-type: none"> • Provide information to Encinitas residents about local housing needs, state law requirements, and other topics related to housing for all income levels. • Ensure that any housing developed at higher densities complies with any adopted design guidelines and is of excellent design quality <u>complies with the City's objective design standards.</u> • Amend the City's capital improvement program if additional infrastructure improvements are required to provide for additional housing development.
Timeframe:	• Ongoing in conjunction with Program 3C (Proposition A)

Program 3G: Monitor Adequacy of Development Standards

In the course of reviewing new projects on the sites shown on the site inventory in Appendix C, the City of Encinitas will evaluate the development standards contained in Title 30 of the Encinitas Municipal Code and Specific Plans to determine if any standards create undue burdens, or limit the ability for housing to be developed at the density designated in the site inventory. The analysis will evaluate standards that could influence the ability of the City to develop housing for extremely-low, very-low, low and moderate income households or special needs populations. To date, most projects proposed on housing strategy sites have included more housing units than shown in Table 2-4, indicating that the City's development standards do not prevent housing from being developed at the density designated in the site inventory.

The Housing Element Annual Report will include the effects of the development standards to facilitate development in the R-30 zone. Should the evaluation conclude that any development standard may pose a constraint to development in the R-30 zone; the City will initiate a Municipal Code amendment.

Funding:	• Departmental budgets
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Planning Commission • City Council
Objectives:	• Amend R-30 development standards if projects cannot achieve the densities shown in the site inventory.
Timeframe:	<ul style="list-style-type: none"> • Ongoing Evaluation • Report to City Council annually, as part of Housing Element Annual Report • If needed to address constraints, following the City Council review of the Annual Report, request initiation of a zoning amendment <u>within 6 months to be processed within a year.</u>

Program 3H- Examining and Mitigating Barriers to Racial Equity

The City of Encinitas will conduct a study to identify any potential discriminatory land use and housing-related policies, inequitable community development practices, potential racial/ethnic

biases in mortgage lending and rental housing, and other policies and practices that may have a real or inherent bias that creates or contributes to barriers in access to housing opportunity in Encinitas. The City will conduct this study in collaboration with local communities of color, service groups/agency, and regional, state and federal partners and lenders.

Based upon results of this study, and if barriers are identified, the City will take specific actions to address and mitigate these barriers that may include, but not limited to:

- Revisions to Zoning Code and permit requirements.
- General Plan policy and program updates.
- Changes to lending practices and processes.
- New services, programs and support offered to persons of color.
- New and/or expanded outreach and engagement programs and policies, and
- Equitable services to all residents.

<u>Funding:</u>	• <u>City General Fund</u>
<u>Responsible Agencies:</u>	• <u>Development Services Department</u>
<u>Objectives:</u>	<ul style="list-style-type: none"> • <u>Conduct study to identify barriers to racial equity in acquiring and renting housing in Encinitas.</u> • <u>Establish appropriate polices or programs that address identified barriers to racial equity.</u> • <u>When developing new policies, programs, and practices, determine whether they support racial equity.</u>
<u>Timeframe:</u>	<ul style="list-style-type: none"> • <u>Conduct Study by December 31, 2022.</u> • <u>Adopt/Implement policies and programs by December 31, 2023.</u>

PROGRAM 4: CONSERVATION OF EXISTING HOUSING STOCK

The programs below demonstrate how the City shall conserve and improve the condition of the existing affordable housing stock.

PROGRAM 4A: Pursue Opportunities to Create Safe and Healthy Housing

The City has a number of accessory units that were constructed or converted illegally (without the benefit of building permits) prior to the City’s incorporation and might not meet City codes. Recognizing that many of these units provide affordable housing that may not otherwise be available, the City adopted an Affordable Unit Policy (AUP) in 1993 to allow dwelling units built or converted without required permits to apply for legalization. In the period between January 1, 2010 and December 31, 2019, 42 units have been approved through the AUP program.

The City Council in November 2014 revised the compliance program with less restrictive, more preferential terms, which based on a number of Council authorized extensions are valid through June 2021. Here are the key changes:

- The unit must have existed prior to January 1, 2004. This is a change from the current policy that requires the unit to be in existence prior to incorporation in 1986.
- The unit must be reserved as affordable housing for “low” income households for a period of twenty (20) years. This is a change from the current policy that requires the affordability restriction in perpetuity.
- The standard AUP application fee (\$900) may be waived for property owners that qualify as low/very-low income.

The City successfully sponsored amendments to State law that permit more flexibility in applying past building codes to units constructed without permits. Some units constructed without permits may also be able to be legalized under new State ADU regulations if they can meet current building codes, or if code deficiencies do not pose a health or safety hazard.

The City continues to monitor the program and adjust the policy as needed to maximize participation, while ensuring the protection of public health and safety, as well as compliance with State law. The City periodically markets the program to homeowners via City newsletter, website, and/or flyers at public counters.

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department • City Council
Objectives:	• Allow units built without permits to continue to house residents in healthy and safe housing
Timeframe:	• March 2021 consider further extension of the AUP Program.

PROGRAM 4B: Assist in Rehabilitating Housing

The City’s current Residential Rehabilitation Program provides grants and/or low-interest, deferred, and/or forgivable loans for building code violations, health and safety issues, essential repairs, upgrades of major component systems, and modifications to accommodate disabilities. The assistance is available to low-income homeowners and to owners of rental units that will rent to low income households. The key funding source available for the rehabilitation program comes from Community Development Block Grants (CDBG). The City anticipates that funding allocated over an eight-year period, from 2021 to 2029, will help administer assistance to about 40 households. The estimated funding amounts are not known until federal appropriations for each fiscal year are finalized and HUD notifies the City of the yearly grant amount. Subject to federal funding, the City will look to assist an average of five households annually (ranging from single-family, multi-family, and mobile homes).

The majority of the City's housing stock is over 50 years old, and two cases of lead poisoning have been reported in the City. The City will ensure that education regarding the possibility of lead poisoning is included in its materials regarding housing rehabilitation.

Funding:	• Community Development Block Grants
Responsible Agencies:	• Development Services Department • City Council

Objectives:	<ul style="list-style-type: none"> • Assist low income households in achieving healthy and safe housing, <u>and provide education regarding the possibility of lead poisoning in older homes.</u> • Assist <u>40-an average of 5</u> households <u>a year.</u> • <u>Annually promote the program at the beginning of each fiscal year through the Senior Center, HOAs, NextDoor and other organizations and media as applicable.</u>
Timeframe:	<ul style="list-style-type: none"> • Ongoing, with annual appropriations

PROGRAM 5: AFFIRMATIVELY FURTHERING FAIR HOUSING

The programs below identify actions that will promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, family status, or disability.

PROGRAM 5A: Affirmatively Further Fair Housing

The City is a participant in the regional planning efforts to reduce impediments to fair housing choice and to affirmatively further fair housing through education, testing and enforcement activities. To affirmatively further fair housing in Encinitas, the City will work regional partners to identify, address and eliminate housing discrimination as identified in the Regional Analysis of Impediments to Fair Housing Choice (AI).

The AI identifies specific local actions that can be taken to expand fair housing choices for all and contains a jurisdiction-specific analysis as well. The current draft AI for FY 2020-2025, scheduled to be reviewed by the City Council in June 2020 identifies the following regional impediments to fair housing within jurisdictions in San Diego County:

- Fair housing information needs to be disseminated through many media forms to reach the targeted groups.
- Hispanics and Blacks continue to be under-represented in the homebuyer market and experience large disparities in loan approval rates. This is a particular issue in Encinitas.
- County Housing Choice Voucher holders tend to be concentrated in El Cajon and National City.
- Housing choices for special needs groups, especially persons with disabilities and seniors, are limited.
- Fair housing enforcement activities such as random testing are limited.
- Patterns of racial and ethnic concentration exist in the region, although there are no racially or ethnically concentrated areas of poverty in Encinitas.

The AI also identified jurisdiction-specific impediments. The AI identified the following impediment specific to Encinitas: the need for the City to update its ordinances to be consistent with legislation adopted in 2019 regarding density bonuses, accessory dwelling units, low barrier navigation centers, and supportive housing. Programs 1C, 2D, and 2E require the City to adopt the required ordinance changes.

The City also conducted its own analysis of access to opportunity and the presence of racially or ethnically concentrated census tracts. (See Appendix B.) The City does not have any areas of high racial or ethnic dissimilarity nor any racially or ethnically concentrated areas of poverty. No

areas of the City have low access to opportunity, and racial and ethnic groups within the City have approximately equal access to opportunity. The sites designated as suitable for lower income housing are dispersed throughout the community and not concentrated in any area occupied by any racial or ethnic group. All areas in the City are designated as either high or very high opportunity areas in 2019 maps prepared by the Tax Credit Allocation Commission.

The AI outlines numerous actions that apply locally and throughout San Diego County. Some of the most significant actions are these:

- Promote the Housing Choice Voucher program to rental property owners, in collaboration with the various housing authorities in the region.
- Increase housing options for special needs populations, including persons with disabilities, senior households, families with children, farmworkers, the homeless, etc.
- Conduct random fair housing testing on a regular basis to identify issues, trends, and problem properties. Expand testing to investigate emerging trends of suspected discriminatory practices.
- Diversify and expand the housing stock to accommodate the varied housing needs of different groups.
- Conduct frequent workshops with targeted population to allow for meaningful discussions and dissemination of useful information.
- Work collaboratively with local housing authorities and affordable housing providers to ensure affirmative fair marketing plans and de-concentration policies are implemented.

The programs listed below are intended to implement these Countywide actions locally. Other programs that affirmatively further fair housing and implement the AI's recommendations include:

- Program 1C, to promote the development of accessory dwelling units and update the City's zoning ordinance;
- Program 1D, to promote affordable ADUs;
- Program 2A, to continue and improve inclusionary housing policies;
- Program 2C, to continue the Section 8 housing choice voucher program and educate owners regarding the non-discrimination provisions of state law to expand the use of Section 8 vouchers in the City;
- Program 2D, to ensure that the City's density bonus ordinance continues to be in compliance with state law;
- Program 2E, to accommodate specialized housing types and update the City's policies and procedures regarding low barrier navigation centers and supportive housing;
- Program 3H, to examine and mitigate barriers to racial equity; and
- Program 5B, to reasonably accommodate housing for persons with disabilities.

In Encinitas, affirmatively furthering fair housing means the elimination of discrimination in all aspects of housing, including home sales, rentals, housing policies and financing. Furthermore, the City of Encinitas' residents are entitled to equal access to housing opportunities regardless of their race, color, religion, sex, national origin, disability/medical conditions, familial status, marital status, age, ancestry, sexual orientation, gender identity, gender expression, source of income or any other arbitrary reason.

City of Encinitas
PUBLIC REVIEW DRAFT SIXTH CYCLE HOUSING ELEMENT



The City is addressing local fair housing impediments in the Regional Analysis of Impediments to Fair Housing Choice. The City will partner with other government and non-government agencies to advance fair housing protections and expand implementation and enforcement of fair housing laws and regulations. The City will continue to support the San Diego Regional Alliance for Fair Housing in the development and subsequent amendments to the regional analysis of impediments to fair housing choice in the County of San Diego.

The City of Encinitas receives Community Development Block Grant (CDBG) funds the Federal Department of Housing and Urban Development (HUD). As a recipient of these funds, the City certifies that it will affirmatively further fair housing.

The City currently contracts locally with Legal Aid Society of San Diego to provide fair housing and landlord/tenant services to residents and landlords in Encinitas. Legal Aid helps mediate and will assist with filing fair housing complaints, and the City refers complaints to Legal Aid. Legal Aid also conducts free educational workshops for housing providers and tenants, as well as conducting fair housing testing to ascertain if fair housing issues are occurring in the City.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget • San Diego Regional Alliance for Fair Housing (SDRAFFH)
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • Housing Authority • San Diego Regional Alliance for Fair Housing Choice
<u>Objectives:</u>	<ul style="list-style-type: none"> • Contract with a suitable provider to: a) undertake multimedia fair housing outreach using means such as social media, chat rooms, webinars, and community meetings, aimed at protected classes; and b) provide lending education and credit counseling to reduce disparities in loan approval rates and use of subprime loans. • Continue to contract with Legal Aid Society or other capable organization to review housing discrimination complaints, attempt to facilitate equitable resolution of complaints, and, where necessary, refer complainants to the appropriate state or federal agency for further investigation and action. Include provisions for <u>additional a minimum of three</u> fair housing tests <u>ing a year</u> in the contract, aimed at both landlords and lenders. • Provide more housing options for special needs groups, especially for seniors and persons with disabilities. Continue to enforce requirements for accessible units in new housing and encourage universal design principles in new housing developments. Support developments that provide housing for seniors. <u>See Program 2E.</u> • Complete the update to the Regional Analysis to the Impediments (AI) to Fair Housing Choice in partnership with regional agencies, and implement any additional actions contained in the AI. • As identified in the 2020-2025 AI, the City will promote the following actions: <ul style="list-style-type: none"> • Promote the Housing Choice Voucher program. <u>See Program 2C</u> • Increase housing options for special needs populations. <u>See Program 2E</u> • Conduct random fair housing testing on a regular basis <u>annually</u> to identify issues, trends, and problem properties. • <u>Expand testing to investigate emerging trends of suspected discriminatory practices.</u> • <u>Continue to screen for fair housing issues.</u> • <u>Diversify and expand the housing stock to accommodate the varied housing needs of different groups.</u> <u>See Program 2B</u>

Objective:	<ul style="list-style-type: none"> • <u>Provide fair housing education opportunities throughout the calendar year with targeted population to allow for meaningful discussions and dissemination of useful information. Conduct frequent workshops. These education and opportunities may include but are not limited to workshops, one on one meetings and discussions, referral opportunities, and online and print educational resources.</u> with targeted population to allow for meaningful discussions and dissemination of useful information. • <u>Work collaboratively with local housing authorities and affordable housing providers to ensure affirmative fair marketing plans and de-concentration policies are implemented.</u> • <u>Coordinate with the Reinvestment Task Force to receive annual reporting from the Task Force on progress in outreach and education.</u> • Collaborate with the jurisdictions in the San Diego region for subsequent updates to the AI. • <u>The City will provide housing-related informational materials, presentations, and other outreach collateral in Spanish throughout the planning period. The City will analyze the demographic composition of the community annually to determine if additional languages should be accommodated.</u>
Timeframe:	<ul style="list-style-type: none"> • Ongoing • <u>Complete updates to Regional Analysis of Impediments in 2020 and 2025.</u> • <u>The City will provide fair housing education opportunities at least four times per year.</u> • <u>The City will conduct at least three fair housing testing annually and follow-up with service provider quarterly to ensure compliance of Encinitas landlords and property owners with fair housing laws.</u>

PROGRAM 5B: Reasonably Accommodate Housing for Persons with Disabilities

State law requires jurisdictions to analyze potential and actual governmental constraints on the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove or mitigate those constraints.

To ensure full compliance with reasonable accommodation procedures of the Fair Housing Act, the City adopted in November 2019 a Reasonable Accommodation Ordinance to establish procedures for the review and approval of requests to modify zoning and development standards to reasonably accommodate persons with disabilities, including persons with developmental disabilities. The procedures do not require any permit other than the reasonable accommodation request, involve no public notice unless the City's determination is appealed, and no fee is charged.

The City enforces Title 24 of the California Code of Regulations, which provides a comprehensive set of standards covering almost all important areas of accessibility for persons with physical and sensory disabilities. To ensure continued compliance with reasonable accommodation procedures of the Fair Housing Act, the City will provide for annual review of requests for reasonable accommodations. Based upon this annual review, the City will update the Reasonable Accommodation Ordinance as appropriate.

To ensure the community is aware of reasonable accommodation policies and programs, the City will conduct specific actions to promote the Reasonable Accommodation Ordinance and disseminate this information to the general public, including underrepresented communities. The City will develop materials and outreach methods to increase public awareness and ease of access to policies, programs and processes addressing reasonable accommodation. These methods may include, but not limited to:

- Publishing of multilingual materials
- Directed outreach to historically underrepresented communities
- Development of online materials and use of social media
- Partnerships with local and regional service agencies for information dissemination

Funding:	• Development Services Department budget
Responsible Agencies:	• Development Services Department
Objectives:	• <u>Annual review of requests for reasonable accommodations</u> • <u>Develop outreach and dissemination programs and materials.</u>
Timeframe:	• <u>Annual Ongoing implementation of Ordinance</u> • <u>Develop outreach and dissemination materials in by December 31, 2021</u>

PROGRAM 5C: Economic Displacement Risk Analysis

To determine if market force economic displacement is occurring due to development of new housing, increased housing costs, or other factors, the City will conduct a study to determine if individuals and families are being displaced and to evaluate local conditions that may contribute to displacement. The study will analyze gentrification locally and will assess how new development and community investments may potentially influence displacement. If this study shows that displacement is occurring, the City will develop an action program based on the identified causes of displacement, including specific actions to monitor and mitigate displacement. Annual review of the action program may result in modifications to further reduce displacement risk.

Funding:	• <u>Development Services Department budget</u>
Responsible Agencies:	• <u>Development Services Department</u>

<u>Objectives:</u>	<ul style="list-style-type: none"> • <u>Conduct a Displacement Risk Analysis Study- and develop an action program based on the results.</u> • <u>Annually monitor program effectiveness.</u>
<u>Timeframe:</u>	<ul style="list-style-type: none"> • <u>Conduct study by December 31, 2022</u> • <u>Establish action program by June 30-, 2023</u> • <u>Annual monitoring of action program</u>

PROGRAM 6: AT RISK HOUSING

Government-assisted projects or units are or may be at-risk of conversion to market rate. At-risk units are occupied by seniors or lower income families who cannot afford to pay market rate rents and who could be displaced if the project or unit converts. Many of these units may convert to market rate as subsidy contracts or regulatory agreements expire. The programs below identify how the City will attempt to preserve assisted housing developments that are at risk of converting to market-rate.

PROGRAM 6A: Monitor “At-Risk” and Publicly Assisted Housing Projects

The Housing Element is required to include a program to monitor and preserve affordable housing units that are eligible to convert to non-low-income housing uses. All inventoried units eligible to prepay, opt-out, or terminate long-term use/affordability restrictions during the next 10-years are considered by HCD as “at-risk”.

As described in Appendix B, no assisted units in the City are at risk of loss in the next 10 years; no unit is at risk of loss until 2049. However, the City will continue to monitor and review all assisted units so that it can act in advance of the loss of any units.

<u>Funding:</u>	• Development Services Department budget
<u>Responsible</u>	• Development Services Department
<u>Objectives:</u>	<ul style="list-style-type: none"> • Monitor the status of any Notices of Intent and Plans of Action filed by property owners to convert to market rate units. • Identify non-profit organizations as potential purchasers/managers of at-risk housing units. • Explore funding sources available to purchase affordability covenants on at-risk projects, transfer ownership of at-risk projects to public or non-profit agencies, purchase existing buildings to replace at-risk units or construct replacement units. • Ensure the tenants are properly noticed and informed of their rights, in particular, that they are eligible to obtain special Section 8 vouchers reserved for tenants of converted properties.
<u>Timeframe:</u>	• Ongoing

PROGRAM 6B: Continue to Provide Credit under the Inclusionary Ordinance for Preservation of At-Risk Housing

City of Encinitas
PUBLIC REVIEW DRAFT SIXTH CYCLE HOUSING ELEMENT



As part of the City's inclusionary ordinance, the City will provide credit for preservation of at-risk housing and for conversion of market-rate units to affordable units when consistent with Government Code Section 65583.1.

Funding:	<ul style="list-style-type: none"> • Development Services Department budget
Responsible Agencies:	<ul style="list-style-type: none"> • Development Services Department • City Council
Objectives:	<ul style="list-style-type: none"> • Allow developers to meet inclusionary requirements by preserving at-risk housing units or converting market-rate units to affordable when consistent with the provisions of Government Code Section 65583.1.
Timeframe:	<ul style="list-style-type: none"> • Ongoing

TABLE 2-5 QUANTIFIED OBJECTIVES (2021-2029)						
	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	TOTALS
New Construction	235	234	369	308	408	1,554
Rehabilitation	---	---	40	---	---	40
Conservation and 'At-Risk'	20	---	---	---	---	20 ¹
Section 8	84	10	2	---	---	96
The City does not have any projects 'At-Risk' in the 2021-2029 planning period; however, the City will continue to monitor the status of deed-restricted affordable housing units. Units reported account for AUP units anticipated to be legalized during the planning period.						