

APPENDIX E

Draft Housing Element

@HOME IN ENCINITAS



City of Encinitas
Draft 2013-2020 Housing Element
September 2015



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THE HOUSING ELEMENT is one of the seven mandated elements of the local general plan. It outlines how a local jurisdiction will adequately plan to meet the existing and projected housing needs of everyone in our community.

INTRODUCTION

The Land Use Element is concerned with housing in a spatial context while the Housing Element identifies housing programs aimed at new housing construction, and 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, and maintaining an adequate supply of rental housing. The Housing Technical Report provides background information and serves as a technical appendix for the Element.

Purpose of this element

The City is facing some significant challenges when it comes to meeting our housing needs --- housing costs in Encinitas continue to climb, while the availability and variety of our housing is lacking. The median housing cost in Encinitas is nearly 20 percent higher than other North county coastal areas. At the same time, we have a growing population and our existing residents have changing needs.

- Baby Boomers are aging and our senior citizen population is projected to nearly double by 2035. Many seniors will seek to downsize and move into smaller homes in urban 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 things in 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 steady population growth through 2050.

It is important to also note that new residential development in Encinitas has placed an additional burden on public services and infrastructure. New schools, roads, fire stations, sewers, and a host of other facilities and services will require expansion if current levels of service are to be maintained. Finally, there are concerns that future residential development will further 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.

The Housing Element recognizes the need to provide housing for all economic segments of the community, while considering and mitigating adverse impacts to services and infrastructure. The Housing Element also satisfies the legal requirements that housing policy be a part of the General Plan. This Encinitas Housing Element is prepared for the 2013-2021 update cycle for jurisdictions in the San Diego Association of Governments (SANDAG) region.

Scope and content of the housing element

The Housing Element consists of housing goals and policies for the five communities that comprise the City. Specific housing programs that will implement these goals and policies are identified in the section entitled Housing Plan which follows the Goals and Policies. Finally, the Housing Element Technical Report contains much of the necessary background data required for formulating these goals and policies as well as supporting technical data required by the State Housing and Community Development Department.

The State Legislature recognizes the important role of local general plans, and housing elements in particular, in implementing statewide housing goals which call for the provision of decent and sound housing for all persons. In addition, the importance of continuing efforts toward providing housing that is affordable to all income groups is stressed.

This Housing Element covers the planning period of April 30, 2013 through April 30, 2021, and identifies strategies and programs that focus on:

- Conserving and improving existing affordable housing;
- Providing adequate sites and range of housing types;
- Assisting in the development of affordable housing;
- Removing governmental and other constraints to housing development; and,
- Promoting equal housing opportunities.

An important goal of this element is to ensure that the City of Encinitas 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 everyone's quality of life through environment, fiscal health, community health and equity. This Housing Element provides policies and programs to address these issues. The 2013-2021 Encinitas Housing Element consists of the following major components:

- Introduction: An overview of the purpose and contents of the Housing Element.
- Goals and Policies: A set of goals and policies to guide the City actions and decisions relating to the provision of housing.
- Implementation Plan: A strategy to address the identified housing needs given the City's constraints and resources.
- Housing Needs Assessment: An analysis of the demographic and housing characteristics and trends.
- Housing Constraints: A review of potential market, governmental, and environmental constraints to meeting the identified housing needs.

- Housing Resources: An evaluation of resources available to address housing goals.
- Review of Past Accomplishments: An evaluation of previous Housing Element-related accomplishments.

When updating a Housing Element, public outreach is often limited to some workshops or study sessions; and, noticing for those meetings is often limited to mailing key stakeholder groups, placing announcements on the website and/or newspaper postings. In essence, a traditional and common-practice form of notification is typically utilized.

Citizen Participation

Contrary to this standard approach, the City of Encinitas took an especially robust process to its public outreach by using several different methods in an effort to reach as many people as possible.

Appendix A includes a summary report of all the meetings staff attended, the presentations that were delivered, the ads that ran, the articles and op-eds that were published, and the other promotions received from several other agencies and local community groups, including mention in their respective newsletters and social media networks. Some of the more notable outreach efforts discussed in the report are listed below.

- More than 21,000 mailers
- 14 news articles/op-ed pieces
- 5,400 families from Encinitas Union School District (flyer distributed)
- 750 families in Cardiff School District (flyer distributed)
- e-Newsletter and a series of e-blasts (about 8,000 subscribers)
- 2-rounds of print ads in Coast News & Encinitas Advocate (25,000 people)
- Frequent use of social media: twitter, Facebook and Instagram
- Portable electronic messaging signs in all five Encinitas communities
- More than 13,000 door hangers
- On-line ad on Seaside Courier's website (18,000 people)
- 45 briefings and/or presentations with businesses, seniors & millennial groups
- 3 "pop-up outreach" events hosted at popular shopping centers
- Attended Encinitas Fall Festival and Moonlight Beach Festival

City staff also conducted five Community Dialogue Sessions, one in each community, from the hours of 10 a.m. to 8 p.m. During these all-day events, the public was invited to view information and directly speak with staff about housing. For citizens who could not make one of the Community Dialogue Sessions, make-up sessions were offered to the public at City Hall between the hours of 10 a.m. to 8 p.m. during the entire week of December 1st.



The Community Dialogue Sessions featured six workstations for members of the public to learn about key issues related to the process of updating the City’s housing plan (also referred to as the Housing Element Update). Each station included a series of easy-to-read material boards covering varying topics. The material boards were also made available on the City’s website, on a webpage that was created specifically for this project. A user-friendly URL was also created, www.athomeinencinitasca.info, and the materials are still available for reference there.

Upon entering the session, participants were asked to sign in (optional) and provided a “Station Roadmap” that explained the purpose of the Community Dialogue Session, outlined what they should expect at each station, and highlighted important facts about the process.

With this information in hand, community members could peruse the stations at their own leisure. City staff was also available to answer any questions, and in many cases, facilitated groups through each station and explained the information on the material boards. A summary of the public participation at the respective Community Dialogue Sessions is provided below.

| DATE | SESSION | ATTENDEES |
|--------------------|------------------|-----------|
| November 13, 2014 | Cardiff | 61 |
| November 15, 2014 | Old Encinitas | 115 |
| November 17, 2014 | Leucadia | 85 |
| November 18, 2014 | Olivenhain | 25 |
| November 22, 2014 | New Encinitas | 158 |
| December 1-5, 2014 | Make-up Sessions | 35 |
| | TOTAL | 479 |

The final step in the process was to provide feedback on e-Town Hall. Participants were encouraged to do this after completing all the workstations in the Community Dialogue Sessions; or, after independently reviewing the materials on the City's website.

Once participants logged on to e-Town Hall, they were asked to share their views and preferences about where housing should be located in their community and the housing types that should be built. The forum provided a series of interactive maps that helped citizens learn about where this new housing could potentially be built – and gave folks a chance to look at different types of housing that could go there, and then select the option they like best for that specific community.

The results of the e-Town Hall input were then presented and discussed at a public joint-meeting with the City Council and Planning Commission on February 3 and February 5, 2015.

This Housing Element was initially prepared for the 2005-2010 planning period (extended through 2012 by legislation from June 30, 2010). During this planning period, the City initiated a comprehensive update to the City's General Plan, including an evaluation of the City's land use and housing policies and residential capacity in the community.

Due to the timing and public concerns related to the initial draft General Plan Update, as well as the status of the 2005-2010 Housing Element, this Housing Element has been revised to address the 2013-2021 planning period. While this Housing Element covers an eight-year planning period, Government Code Section 65588(e) requires the City to conduct an update by April 30, 2017 (four years) and again at the end of the eight-year planning period.

Housing Element Planning Period

GOALS, POLICIES & IMPLEMENTATION PROGRAMS

This section of the Housing Element contains the goals and policies the City intends to implement to address a number of 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.

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 have a distinct character due in large part to the nature of their existing residential neighborhoods. New housing constructed in the City should reflect the character of the surrounding neighborhood in particular and the community in general.

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 tastes will be made available to existing and future residents.

POLICY 1.3: When existing 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: Require that housing constructed expressly for low and moderate income households should not be concentrated in any single community or single area of the City and that such housing should be high quality in terms of design and construction without sacrificing affordability.

POLICY 1.5: If a diminishing inventory of rental housing creates an imbalance, the City should make every effort to preserve the existing stock of quality rental housing by discouraging apartment conversions to condominiums.

POLICY 1.6: Encourage retention of all existing, viable mobile home parks through use of a mobilehome/trailer park overlay zone, a permanent mobilehome park zone, and the application of incentives.

POLICY 1.7: Coordinate with local social service providers to address the needs of the City's homeless population.

Quality of housing

New housing opportunities in the City must be made available to all persons. The diverse make-up of the City with its five distinct communities will continue to attract a wide variety of people. The City has made a strong and firm commitment that fair housing practices will continue in Encinitas.

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

POLICY 2.1: Make every reasonable effort to ensure that the provisions of the Federal and State laws that prohibit housing discrimination are enforced.

POLICY 2.2: Support ongoing efforts of the State and Federal agencies and local fair housing agencies to enforce "fair-housing" laws, as well as regional efforts in promoting fair housing.

POLICY 2.3: Encourage developers to provide a balance of housing opportunities.

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.

Maintenance / preservation of housing

GOAL 3: THE CITY WILL ENCOURAGE THE MAINTENANCE AND PRESERVATION OF THE EXISTING HOUSING STOCK AS WELL AS QUALITY WORKMANSHIP 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 vigorous code enforcement efforts.

POLICY 3.3: Continue to apply and support existing housing programs administered by the County which provide housing assistance. These include assistance to property owners that can demonstrate financial need in the upgrading of their substandard units. Aggressively pursue the application of existing County programs for housing rehabilitation, and investigate and apply available additional funding.

Housing conservation

POLICY 3.4: Continue to assess development fees on new residential units adequate to pay for all related local and regional impacts on public facilities.

POLICY 3.5: Allow for some cluster-type housing and other innovative housing design that provides adequate open areas around and within these developments.

POLICY 3.6: Coordinate the provision of open areas in adjoining residential developments to maximize the benefit of the open space.

POLICY 3.7: Adapt residential development to the terrain.

POLICY 3.8: Encourage street planting, landscaping, and undergrounding of utilities.

POLICY 3.9: Encourage high standards of design, materials, and workmanship in all construction and developments.

POLICY 3.10: Discourage residential development of steep slopes, canyons, and flood planes.

POLICY 3.11: Develop and implement design review criteria which will also include the issue of view blockage.

POLICY 3.12: Cost effective energy-efficient housing, including the use of passive systems, will be encouraged within the City to decrease energy use.

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 or encourage 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, many such guaranteed-affordable units are subject to being converted to market-rate rental units by the expiration of pre-payment of the government subsidy arrangement. Responding to this, in 1991 State law required that local housing elements address the status of these "units at risk." The City is committed to doing what it can so that guaranteed-affordable units remain affordable to target-income households.

GOAL 4: THE CITY WILL ENCOURAGE THE CONTINUED AFFORDABILITY OF GUARANTEED-AFFORDABLE UNITS.

POLICY 4.1: The City will undertake a program to pursue the renewed affordability of affordable "units at risk" of conversion to market rate units due to expiration of use restrictions, affordable covenants and funding subsidies.

The Land Use Element sets forth the amount and type of residential development permitted under the General Plan, 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 viewsheds. 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 hazard as a condition to development.

Table 3-1: Housing Policy Matrix depicts General Plan elements that support the goals of the Housing Element.

TABLE 3-1 HOUSING POLICY MATRIX

| ISSUE AREA | LAND USE | CIRCULATION | RESROURCE 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 elements is independent, the elements are also interrelated. Certain goals and policies of each element may also 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, after making concurrent amendment to the Land Use Element, is entirely consistent with the policies and proposals set forth by the General Plan. When an element in the General Plan is amended, the Housing Element will be reviewed and modified if necessary to ensure continued consistency among the various elements.

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.

1. ADEQUATE SITES - PROGRAMS

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 2,603 for the 2013-2020 Housing Element, along with carryover RHNA allocations from prior planning periods. The breakdown of the RHNA is as follows:

TABLE 3-2: CITY OF ENCINITAS RHNA ALLOCATION

| INCOME CATEGORY | RHNA | RHNA CARRYOVER |
|-----------------|-------|----------------|
| Low/Very Low | 1,033 | 253 |
| Moderate | 413 | 0 |
| Above Moderate | 907 | 0 |
| TOTAL | 2,353 | 253 |

Pursuant to the City's current General Plan, the City has capacity to accommodate the RHNA allocations for the moderate and above moderate income levels without the need for rezoning. With units constructed, under construction and approved at the time of writing this Housing Element, the City has met a portion of its RHNA allocation for the low/very low income units as reflected below.

TABLE 3-3: CITY OF ENCINITAS RHNA ADJUSTMENTS AND REMAINING RHNA OBLIGATION

| RHNA ADJUSTMENTS | RHNA (V/VL) |
|--|-------------|
| Low/Very Low | 1,286 |
| Accessory Unit Production ¹ | 146 |
| New Construction | 47 |
| REMAINING RHNA | 1,093 |

The City is committed to providing adequate sites with appropriate zoning to accommodate the remaining RHNA and accommodate the need for groups of all income levels pursuant to Section 65584 of the Government Code. To accomplish this mandate of the State and to facilitate the development of multifamily housing affordable to lower-income households, the City shall rezone those sites identified on the final housing strategy map provided in as an attachment to Appendix B².

¹ Assumes that the City will issue an estimated 271 permits total for second dwelling units (of which half will be counted as units that accommodate lower income households) and 25 permits for conversion of unpermitted accessory dwelling units over the planning period .

² This is a preliminary list pending EIR Review and City Council selection of final sites: not all sites will be included in the City's final housing strategy map (sites inventory)

This rezoning program will result in the rezoning of XX acres of land, creating an opportunity for at least XXXX units that are allowed by-right during the planning period pursuant to Section 65583.2. This exceeds the remaining RHNA obligation of 1,093 units by XX percent, providing an adequate buffer in consideration of the no net loss requirement and minimizes the future constraint Proposition A places on accommodating adequate sites by giving voters the opportunity to make this a long-term land use decision. This program also includes a provision to make any necessary changes in other General Plan elements to ensure consistency, along with a time line for accomplishing the rezoning.

The voters will be presented with the Housing Element, rezonings and Zoning Code amendments, currently scheduled for November 2016. This approach will be taken because voter approval is required when major amendments are made to certain land use planning policy documents causing major increases in zoning density or intensity of land use, pursuant to Encinitas General Plan Land Use Policies and Municipal Code Chapter 30. Since accommodating the RHNA necessitates changes to the General Plan Land Use Element, Zoning Map, Encinitas Zoning Code and certain specific plans, a vote of the people is required. Presenting both the Housing Element, along with rezonings and Zoning Code amendments concurrently provides maximum transparency and comprehensive consideration by the voters. Any changes necessary as a result of Department of Housing and Community Development and California Coastal Commission review and certification following the November 2016 vote shall not require a subsequent ballot measure, even if the change would otherwise trigger a ballot measure per Proposition A. The November 2016 ballot measure will expressly delegate the authority to enact changes to ensure a certified Housing Element and Local Coastal Program certification to the City Council. Delegation of authority specific to accomplishing required state certifications is consistent with Proposition A because the voters are asked to authorize it in the comprehensive November 2016 ballot measure.

A fundamental principle in accommodating the City's very low/low RHNA income category of housing units is that no property owner whose site is a part of the inventory (Housing Strategy Map) would lose their existing zoning rights. Therefore, a property which is on the Housing Strategy Map to accommodate very low/low RHNA income category of housing units will retain its existing zoning rights and receive additional rights to build either standalone residential or housing as part of a mixed use project, as reflected on the Map. To implement this approach, floating zones will be utilized, which would replace the existing zoning should a property owner elect to develop housing. The City will carefully review the designated sites to ensure that they comply with the State law requirement to receive RHNA credit. The rezoning program shall permit owner-occupied and rental multi-family residential use by right and permit at least 16 units per site. Density will range from a minimum of 20 dwelling units per acre to a maximum of 30 dwelling units per acre as a permitted use. Sites that are zoned to permit mixed use development require that residential use occupy 50 percent of the total floor area of a mixed use project. 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.

Changes to development standards will be necessary to accommodate the very low/low income RHNA category of housing units. These changes include increasing the allowable building height to three stories up to 33 feet in height and allowing for building pad certification. If a property owner does not develop a project to accommodate the very low/low income RHNA category of housing units, instead choosing to continue with their existing zoning rights, the maximum two-story/30-foot building height and existing height determination method will remain as per Encinitas Municipal Code Chapter 30.00, or as otherwise may be further restrictive as set forth in Encinitas Municipal Code Title 30. Development standards will also be revised to address parking-related and other zoning issues to ensure that new standards will accommodate the minimum density required in the zone. Resulting projects will be required to provide a mix of housing sizes for owner-occupied and/or rental multi-family housing, commensurate with the size of the project. All projects will also achieve the minimum density requirements per Section 65583.2.

Environmental review will also still apply to future development projects on the Housing Strategy Map regarding design review and most subdivision map actions. Subsequent projects may tier from the Housing Element's Program EIR or a finding made that sufficient environmental clearance occurred with the Program EIR for the Housing Element (CEQA Guidelines Sections 15152, 15162 and 15168). The purposes in using a Program EIR are to comprehensively consider a series of related projects and to streamline subsequent review of development projects involving the very low/low income RHNA category of housing units.

| | |
|-----------------------|--|
| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget • City Clerk Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • Planning Commission • City Council • Voters of Encinitas • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Pursue the above described amendments • Establish appropriate development standards to permit residential developments to occur at the allowable maximum densities for the respective zones • Provide appropriate land use and zoning designations to fulfill the City's share of regional housing needs; designations shall conform to the neighborhood prototypes in Appendix C • Ensure internal consistency with all General Plan elements • Maintain an inventory of vacant and underutilized sites and monitor development trends to ensure the continued adequacy of the sites inventory in meeting the RHNA • Make available the sites inventory to interested developers |
| Timeframe: | <ul style="list-style-type: none"> • November 2016 General Election • January 2018 Coastal Commission certification of Local Coastal Program Amendments |



Housing Strategy Map Placeholder

PROGRAM 1B: Create new design standards and guidelines as part of adoption of new zoning districts

Design review will still apply to projects on the Housing Strategy Map involving the very low/low income RHNA category of housing units. To ensure quality projects that reflect the community’s design character contexts, new design standards and guidelines will be prepared. The guidelines will focus on neighborhood-specific compatibility issues, as well as provide direction on how to ensure projects are successful, both in design and in implementation. All projects shall have a mix of two- and three-story buildings or two- and three-story elements. Five neighborhood prototypes were conceptually identified, connecting land use with a community design character context. These prototypes, which are also related to the land use changes described in Program 1A, form the foundation for design standards and guidelines. New zoning standards and design guidelines will work together to increase height allowances, reduce parking standards, and otherwise remove constraining factors to facilitate new development to achieve maximum densities allowed in the zone.

| | |
|-----------------------|--|
| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • Planning Commission • City Council • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Establish design standards and guidelines for the five neighborhood prototypes |
| Timeframe: | <ul style="list-style-type: none"> • November 2016 General Election • January 2018 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 1C: Promote the development of accessory housing units

Accessory units help meet the City’s affordable housing needs by providing a housing resource for seniors and small, low and moderate income households. 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 single-family residential zones, in accordance with State law. Implementation of the current program resulted in the construction of at least 19 new units per year during the last Housing Element review period. Assuming permit trends continue to increase, there should be an increase in all housing starts, including accessory unit production.

Based on development trends, there is great potential for new affordable housing with accessory units. Therefore, the City will continue to accommodate and promote the construction of affordable accessory units by increasing the public awareness of the Accessory Unit Program. Relaxing development standards and/or providing incentives will also likely encourage property owners to pursue authorizations for and construct accessory units, particularly with respect to reduced setback and parking requirements. For this 2013-2021 Housing Element cycle, the City will consider different programmatic options that could incentivize additional production, which may include some or all of the following:

- First point-of-contact. The City can also consider assigning a staff person to serve as a first point-of-contact for permitting information. The City could also establish and maintain a “second unit specialist” in the Development Services Section to assist in processing and approving accessory units.
- Permit fee reductions. Reducing permitting costs could help decrease up-front costs, which have been shown through different studies to be a barrier to affordable housing provisions. Fee reductions

could be applied to permit applications for units that are rented to lower-income households or for family members (in-law apartments) at low or no-cost.

- FAR increase. In a community where land costs are high and FARs are strictly regulated, the provision of this additional building floor area could bring new interest to the program. Permitting additional residential floor area above the maximum allowable Floor Area Ratio (FAR) for the property could greatly incentivize construction.
- Reduced rear-yard setbacks. An allowance for single-storied encroachment into otherwise required rear-yard setbacks could create more flexibility to the property owner. In this case, reductions could be considered provided that 1) a minimum setback of ten (10) feet is provided adjacent property and 2) all other structures on the property fully comply with other specified setback and height requirements, including the primary residence from the front, side, and rear lot lines. Building height for accessory units would be reduced the deeper into the reduced setback the building is located.
- Parking waivers for the main residence. Parking requirements typically serve as the greatest barrier to housing development due to land availability, existing site constraints and cost. Parking waivers could be applied to the accessory unit. On-street parking would suffice for an accessory unit, if the parking is available within a short walking distance of the unit, except within one-quarter mile of public beach access points.
- Junior second units. The City may also evaluate “junior” second units as a means to achieve more housing for lower income households. Junior second units could be limited in size and have different requirements than other unit types.

The above list of regulatory and non-regulatory incentives illustrates a wide range of different approaches that the City could take to increase interest in the Accessory Unit Program. Other items may also be considered as a means to increase the use of the Accessory-Unit Program. The approaches outline potential courses of action that City Council could take as a course of action. Since there is a need to incentivize accessory unit production early in the Housing Element cycle, the City will initiate an ordinance update in the first part of 2016 and work with the community to determine the most effective and efficient approach or mix of strategies.

In order to minimize adverse impacts on established neighborhoods, the City will monitor the effects that construction of these new accessory units may have on the character of surrounding neighborhoods. If detrimental impacts are found, the City may revise its Accessory Unit Program and re-evaluate any correlated Housing Element Program actions to accommodate the City’s remaining regional housing needs.

| | |
|-----------------------|--|
| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • Planning Commission • City Council • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Relax development standards to encourage accessory housing unit production • Continue to administer the accessory unit regulations • Develop informational packets to market accessory unit production • Achieve an average of 30 accessory units annually; 242 total over the eight year period. |
| Timeframe: | <ul style="list-style-type: none"> • November 2016 General Election for Zoning Code amendments • October 2016 availability of promotional materials for accessory housing units • November 2017 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 1D: 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 RHNA obligations. To ensure sufficient residential capacity is maintained to accommodate the RHNA, the City will develop and implement a formal ongoing (project-by-project) evaluation procedure pursuant to Government Code Section 65863 and will make findings if a site is proposed for development with fewer units 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 households, the City will identify and if necessary rezone sufficient sites to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA.

| | |
|-----------------------|---|
| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • City Council |
| Objectives: | <ul style="list-style-type: none"> • Develop and implement a formal evaluation procedure pursuant to Government Code Section 65863 • Monitor and report through the HCD annual report process |
| Timeframe: | <ul style="list-style-type: none"> • April 2017 for a formal evaluation procedure • Every April report to HCD and SANDAG |

PROGRAM 1E: Promote and streamline lot consolidation

For some sites in the inventory to be viable for development, particularly for sites located on or near Coast Highway 101, the City will evaluate ways to encourage the consolidation of smaller parcels to facilitate well-designed, modern projects that provide housing options for households of all income levels. For sites that are a part of the inventory, as many types of subdivision actions will occur as administrative decisions as allowed under the Subdivision Map Act, subject to appeal as provided for by law. The City will periodically review development standards and incentives that would encourage mixed-use or infill developments on small parcels. The City will also meet with developers to discuss potential project sites and identify areas and properties with potential for redevelopment and provide information to interested developers.

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| Funding: | <ul style="list-style-type: none"> • Departmental budgets |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • Public Works Department • Fire Department • Planning Commission • City Council • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Subdivision maps and lot consolidations involving the very low/low income RHNA category of housing units will be made an administrative decision to the extent allowable under the Map Act • Prepare an inventory of potential lot consolidations • Meet with developers on an annual basis to review permit activity associated with different development regulations and evaluate improvements to the permitting process, including potential incentives to encourage lot consolidations • Achieve on average one lot consolidation project per year over the planning period |
| Timeframe: | <ul style="list-style-type: none"> • June 2016 Zoning Code amendments • January 2018 Coastal Commission certification of Local Coastal Program Amendments • Meeting with developers in the summer of every year • December 2017 availability of potential lot consolidation inventory |

PROGRAM 1F: Energy conservation and energy efficiency opportunities

Continue to promote regional water conservation incentive programs and encourage broader participation in the City's Green Building Incentive Program. To further advance community energy and water conservation goals, the City will implement the strategies listed in its Climate Action Plan to achieve residential-focused greenhouse gas emission reductions.

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| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department |
| Objectives: | <ul style="list-style-type: none"> • Implement existing City's sustainability programs • Adopt and implement the residential strategy measures listed in the City of Encinitas Climate Action Plan |
| Timeframe: | <ul style="list-style-type: none"> • Ongoing • April 2017 adoption of residential strategy measures |

2. AFFORDABLE HOUSING - PROGRAMS

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

PROGRAM 2A: Continue and broaden inclusionary housing policies

The City's inclusionary housing program requires that subdivisions of at least 10 units set aside or pay a fee in lieu equivalent to one in 10 units for low income households. As a condition of approval of any tentative subdivision map for residential dwellings, community apartments, stock cooperatives or conversions of 10 units or more, the subdivider is required to reserve the unit(s) for very low income households. All required affordable units shall be phased-in with market rate units to ensure completion. Because of the 2009 court decision in Palmer v. City of Los Angeles, the City can no longer require rental affordable units.

The City intends to update its current Inclusionary Housing Ordinance to more effectively meet the City's affordable housing goals and grant developers greater flexibility in how they fulfill their inclusionary housing requirement. The City will conduct a nexus study to determine the maximum supportable inclusionary housing requirement and affordable housing impact fee for rental and for-sale housing.

Alternatives to on-site development of affordable housing will also be considered and include payment of an in-lieu fee, donation of land, converting existing market rate housing to affordable housing for a period of at least 30 years, extending the term of affordability for existing affordable units for at least 40 years, or provision for alternative housing types.

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| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • City Council • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Continue the inclusionary housing program • Conduct a nexus study to determine the maximum supportable inclusionary requirement and fees • Update the City's Inclusionary Housing Ordinance to be more effective and provide greater flexibility in meeting the inclusionary housing requirements |
| Timeframe: | <ul style="list-style-type: none"> • November 2016 updated inclusionary housing program • May 2018 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 2B: Facilitate affordable housing

The City will proactively support housing for low income, extremely low income, and persons with disabilities (including developmental disabilities) as required by State law. New funding sources will be sought from available non-profit, state and federal programs. The City will also utilize its existing CDBG and other appropriate funding sources. Planning and entitlements should consider how to position a project for future grant applications. The City will attempt to subsidize off-site public improvement costs by coordinating its CIP with affordable housing sites and will consider the waiver or reduction of development fees on a case-by-case basis. For City-owned housing sites, land cost write-downs may be used to promote affordable housing.

The City will also work with developers to facilitate affordable 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 rental housing units affordable to lower income households and households with special needs (such as seniors and disabled). The City will also ensure a portion of the affordable housing units created will be available to extremely low income households.

Also, additional strategies will be explored to facilitate affordable housing development and/or otherwise address the lower income housing needs of this community. One opportunity, for example, is to work through the City of Encinitas Senior Commission to create attainable senior housing options and better what different options are available to best enable older adults to age in place or in their community (e.g. small lot/cottage housing and co-housing).

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; and established an interdepartmental team (Project Issue Resolution) that quickly resolves problems and issues as they arise. The City will continue to find opportunities to streamline the permitting process to remove unnecessary barriers, without compromising public health, safety and community character. 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 Program EIR for this Housing Element to address as many environmental issues as possible now to focus future environmental review on project-specific issues.

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| Funding: | <ul style="list-style-type: none"> • Planning and Building Department budget, 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"> • Planning and Building Department • Planning Commission • City Council |
| Objectives: | <ul style="list-style-type: none"> • Streamline the permitting and environmental review processes • Annually allocate designated Affordable Housing Funds to increase the supply of affordable housing for lower income households, including seniors, disabled, homeless and those at risk of homelessness • Annually pursue funding opportunities for affordable housing • Expand the City’s affordable housing inventory • Evaluate strategies to meet the City’s dynamic housing needs, such as older adults and seniors • Consider City-owned sites with land cost write-down for affordable housing • Consider reducing development fees and coordinating the CIP with affordable housing development sites • Facilitate the development of one affordable housing project in the 2013-2021 planning period. |
| Timeframe: | <ul style="list-style-type: none"> • Ongoing |

PROGRAM 2C: Utilize Section 8 housing choice vouchers

This program provides rental assistance to eligible 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's 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. HUD has not issued any new vouchers to the City of Encinitas for the past five years.

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 cuts are part of a 10-year plan of catastrophic funding reductions to our nation's discretionary domestic programs, including the HUD and the military. The impact of sequestration on the City's Housing Authority has resulted in the loss of annual funding for rental subsidy payments.

Although the City will continue to administer its 136 housing vouchers, it currently has funding to subsidize only 111 households. The City's ability to expand or even maintain this program at its current level is derived from the annual Federal budget process. Recent indications from HUD are that Federal support for Section 8 will not be expanded. However, when additional funds become available to assist new families, the City will provide additional housing vouchers.

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| Funding: | • HUD Section 8 Housing Choice Voucher Allocations |
| Responsible Agencies: | • Encinitas Housing Authority |
| Objectives: | <ul style="list-style-type: none"> • Continue to administer and fund the housing choices vouchers based on HUD funding availability • Promote the Housing Choice Voucher program to rental property owners |
| Timeframe: | • Ongoing |

PROGRAM 2D: Maximize housing affordability through market-based approaches

The City will evaluate and pursue the following series of zoning and design standards that regulate building form to promote the construction of housing that is more attainable. The Zoning Code will be amended to set a maximum average unit size to ensure small units are created along with larger units. A minimum density will be required on inventory sites to ensure sufficient housing units are built. For projects near transit, the City will amend its regulations to allow for unbundling of parking options to sell or rent parking spaces separately or to give residents options about having an assigned space or an unassigned space. The City will also evaluate other innovative development standards as necessary to facilitate more efficient uses of land, thereby lowering the per unit cost.

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| Funding: | • Planning and Building Department Budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • Planning Commission • City Council • Voters of Encinitas • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Pursue the above described amendments • Promote affordability through design |
| Timeframe: | <ul style="list-style-type: none"> • November 2016 General Election • January 2018 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 2E: Establish infrastructure and public amenities financing tools

As is typical in urban California, most of the sites on the Housing Strategy Map for the lower income category of housing units are located in infill areas or require redevelopment and are on relatively small sites. Infrastructure and public amenity improvements associated with these future housing and mixed use projects can be very high as a part of the overall project delivery cost. Additionally, infrastructure and public amenities are needed sooner than would otherwise occur waiting for individual projects to develop incrementally. Various financing tools exist to accelerate infrastructure and public amenity improvements, while also promoting the feasibility of new housing development. Example financing tools include:

- Enhanced infrastructure financing district (EIFD)
- Community facilities district (CFD)
- Parking district
- Property-based improvement district (PBID)
- Maintenance assessment district (MAD)
- Value capture/commercial development impact fee/linkage fee that captures a portion of the property valuation increase associated with proximity to new transportation infrastructure and upzoning; may be used for pay-as-you-go or bond financing

The City will explore establishing appropriate financing tools in different areas based on need and potential for beneficial impact.

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| Funding: | • Departmental budgets |
| Responsible Agencies: | • Planning and Building Department • Public Works Department • Finance Department • City Council • Property owners |
| Objectives: | • Consider establishing financing districts in areas of the City generally aligned with the Housing Strategy Map |
| Timeframe: | • Initiate feasibility study as soon as possible after November 2016 General Election. |

3. MITIGATION OF CONSTRAINTS - PROGRAMS

The City reviews and updates development standards and processing procedures that constrain housing development, particularly for lower and moderate-income households and for persons with special needs. Below identifies how the City will address improving the City’s housing stock - and where appropriate and legally possible, remove governmental constraints that limit the ability to maintain, improve, and develop housing for all income levels.

PROGRAM 3A: Update the density bonus ordinance

Government Code Section 65915 requires that a jurisdiction adopt a local Density Bonus Ordinance consistent with State law. The state 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. 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 a process for waivers of development standards such as reductions in parking requirements, height limits and setback requirements, but developer must demonstrate that incentives reduce costs and are needed to provide affordable units; and that waivers are required because the usual standards physically preclude the project from achieving the allowed density

The City's implementing ordinance is inconsistent with the current Government Code. As such, the City will amend its local ordinance to comply with State law and evaluate how the density bonus ordinance may be applied in conjunction with the City's Inclusionary Housing Program to maximize housing opportunities. The City will explore opportunities to address project-related design issues and seek out ways to minimize adverse impacts of future projects on established neighborhoods. Through subsequent implementation of the adopted ordinance, the City will use density bonuses to help achieve State and City housing goals while attempting to mitigate potential impacts to the extent consistent with State law.

Future consideration could be given to allowing the transfer of density bonus units that would exceed the maximum density to another site (or fee in-lieu). However, this portion of the program is premised in the fact that affordable housing units need to be integrated into and distributed throughout the City. A developer would have the option to use this approach instead, which would be an alternative to invoking State Density Bonus Law. Consistent with State law, the developer could still choose Density Bonus Law, but would have the option to use the alternative City regulations.

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| Funding: | <ul style="list-style-type: none">• Planning and Building Department Budget |
| Responsible Agencies: | <ul style="list-style-type: none">• Planning and Building Department• Planning Commission• City Council• Coastal Commission |
| Objectives: | <ul style="list-style-type: none">• Update the City's density bonus regulations |
| Timeframe: | <ul style="list-style-type: none">• November 2016 updated density bonus ordinance• May 2018 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 3B: 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 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.

The Downtown Encinitas and the North 101 Corridor Specific Plans contain modified parking standards to encourage mixed-use and affordable housing development. In designated zones of the Specific Plan areas, the City requires no more than two off-street parking spaces for a residential unit in a mixed-use 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.

However, the City’s parking standards have not been comprehensively updated since incorporation (1986). How people travel has changed since then, and continues to change as more focus is being placed on alternative modes of transportation such as bikes and rideshares. The City looks to update its housing policies and 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.

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| Funding: | <ul style="list-style-type: none"> • Departmental budgets |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building 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"> • January 2018 update of parking regulations • May 2019 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 3C: 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.

Ground-Floor Commercial Uses Only:

Portions of the North 101 Corridor Specific Plan and Downtown Encinitas Specific Plan have non-residential zones where residential densities are permitted or allowed. However, the zoning requires ground floor uses 1) in a storefront location are limited to retail-serving uses only; or 2) residential uses are permitted only above or behind a primary use. However, it may be difficult to market and develop a property with these blanket ground floor commercial requirements because there is a finite economic market available to support providing additional commercial services. 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 rather than as a blanket requirement to ensure future projects are feasible and the desired community character is preserved. Key locations will be determined by City Council.

Design Review Findings for Residential Projects:

The City requires design review approval for most proposed developments. Unless exempt, residential projects need to be consistent with the City’s design guidelines and comply with certain findings before they may be constructed. Among these findings is the requirement that the project “would not tend to cause the surrounding neighborhood to depreciate materially in appearance or value (EMC 23.08.080).” In response to concerns that such a finding could pose a constraint to housing, the City will evaluate this design review finding for its potential to be subjectively applied to deny a

residential development. As noted in the Constraints Analysis, there is no history that a residential project was denied solely on the basis of this finding. Its effectiveness in assuring high quality development is minimal as compared to meeting the other three findings, namely, that a project: 1) is consistent with the General Plan, a Specific Plan or the Municipal Code; 2) is substantially consistent with the Design Review Guidelines; and 3) would not adversely affect the health, safety, or general welfare of the community. As such, the City will amend the language for residential projects as part of the Zoning Code amendments.

Separate Lot or Airspace Ownership Requirements in North Highway 101 Specific Plan: Section 3.1.1(A)(4) of the North 101 Corridor Specific Plan requires that “all [new] residential detached and attached dwelling units in residential-only developments must be constructed on a legally subdivided lot or must be subdivided to permit ownership of airspace in the form of a dwelling unit with an undivided share in common elements.” While this requirement is appropriate for single-family homeownership projects, it may pose a disincentive to the provision of duplex and multi-family housing by imposing additional cost, processing and development requirements. As such, the City will amend the North 101 Corridor Specific Plan to eliminate the airspace requirement for multi-family housing.

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| Funding: | <ul style="list-style-type: none"> • Departmental budgets |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • Public Works Department • Planning Commission • City Council • Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Remove constraints to housing production from the Subdivision Code, Zoning Code and Specific Plans |
| Timeframe: | <ul style="list-style-type: none"> • January 2018 update regulations • May 2019 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 3D: Accommodate specialized housing types

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.

Agricultural Worker 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 a 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. Furthermore, any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation, according to the Employee Housing Act. Employee housing for six or fewer persons is permitted where a single-family residence is permitted. No conditional or special use permit or variance may be required. The City will amend its Zoning Code to be consistent with State law regarding agricultural worker housing and employee housing.

Emergency Shelter:

Senate Bill 2 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 standards such as:

- Maximum number of beds;
- Proximity to other shelters;
- Length of stay;
- Security and lighting;
- Counseling services; and
- Provision of on-site management.

The City will amend the Zoning Code to permit emergency shelters by right without a discretionary review process in the Light Industrial (LI) and Business Park (BP) zones. 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. The City will also continue to provide financial assistance to the extent feasible to nonprofit service agencies such as the Community Resource Center, YMCA-Oz North Coast, Fraternity House, and North County Solutions for Change to provide supportive services for the homeless and continue to provide winter homeless assistance, either through motel voucher funding or a temporary winter shelter (for example, Interfaith Shelter network and the Scout Center).

Transitional and Supportive Housing:

State Housing Element Law mandates that local jurisdictions shall address zoning for transitional and supportive housing. Transitional housing is included in the Encinitas Zoning Code as a residential care facility. Supportive housing is not specifically addressed in the Zoning Code. The City will amend its Zoning Code to identify transitional/supportive housing meeting the Government Code Section 65582 (f, g, h) definitions as a residential use of a property in a dwelling to be permitted, conditionally permitted or prohibited as similar uses 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. The City will amend the General Commercial Zoning District to conditionally permit SRO housing.

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| Funding: | • Planning and Building Department budget |
| Responsible Agencies: | • Planning and Building Department • Planning Commission • City Council • Coastal Commission |
| Objectives: | • Amend the Zoning Code to accommodate special needs housing consistent with State law |
| Timeframe: | • June 2017 zone establishment for SB 2 implementation within one (1) year of adoption • January 2018 update other regulations • May 2019 Coastal Commission certification of Local Coastal Program Amendments |

PROGRAM 3E: Right to Vote Amendment monitoring

In 2013, a citizen initiative resulted in the Right to Vote Amendment (Proposition A), which requires voter approval of most land use changes and building heights higher than two stories. In the short term, Proposition A does not present a constraint to housing development in the City because a ballot measure to vote upon this Housing Element Update will be put before the voters, consistent with Proposition A. However, it will be important to monitor the overall impact that Proposition A. Therefore, this 2013-2021 Housing Element proposes a program to monitor the effects of Proposition A and address constraints to development.

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| Funding: | <ul style="list-style-type: none">• Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none">• Planning and Building Department |
| Objectives: | <ul style="list-style-type: none">• Administer a program that analyzes the impacts of Proposition A on the cost, supply, and certainty of housing development• Monitor developer interest and permit activity to determine if the height standards from Proposition A constrains housing development |
| Timeframe: | <ul style="list-style-type: none">• Monitor the impacts of the initiative through annual Housing Element Progress Reports. |

PROGRAM 3F: Growth Management

The Land Use Element portion of the Encinitas General Plan contains goals and policies that manage new growth. The measures provide a guiding framework on how the City will ensure that new development does not outpace the ability to provide essential services and infrastructure to support it. One measure establishes a Growth Management Plan which phases development through building permit limitations. In 1999, the City analyzed the effectiveness of the growth management plan in regulating the pace of residential growth in Encinitas. The City found that the cumulative number of unallocated permits from year-to-year was far greater than housing production. As a result the City discontinued calculation of the permit cap due to the carryover of unallocated permits. As the Growth Management Plan is no longer enforced, the City will eliminate the requirement and ensure that there are no potential constraints to meeting its obligation, under California law, to satisfy its current or future Regional Housing Needs Allocation.

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| Funding: | <ul style="list-style-type: none">• Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none">• Planning and Building Department |
| Objectives: | <ul style="list-style-type: none">• Rescind the Growth Management Plan Ordinance to eliminate the annual housing permit allocation process and grant approvals to projects.• Amend the growth management policies of the Land Use Element |
| Timeframe: | <ul style="list-style-type: none">• June 2016 Land Use Element amendment• January 2018 Coastal Commission certification of Local Coastal Program |

4. CONSERVATION OF EXISTING HOUSING STOCK - PROGRAMS

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. However, participation in the program has only averaged two units per year. The City Council in November 2014 revised the compliance program with less restrictive, more preferential terms, which are valid through 2015. 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 units shall still be brought into compliance with current building and fire codes and shall conform to zoning development standards (i.e., parking requirements) to the extent practicable. The City will continue to monitor the program and adjust the policy as needed to maximize participation, while ensuring the protection of public health and safety. The City will also periodically market the program to homeowners via City newsletter, website, and/or flyers at public counters.

For unpermitted housing units not eligible or not opting into the AUP, fully bring those units up to land use and uniform codes.

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| Funding: | • Planning and Building Department budget |
| Responsible Agencies: | • Planning and Building Department • City Council |
| Objectives: | • Healthy and safe housing • Pursue the legalization of 25 units using the Affordable Unit Program during the 2013-2021 planning period and amend the Zoning Code to clearly state that existing units legalized under the AUP automatically are deemed legally nonconforming as to zoning standards |
| Timeframe: | • Implement the less restrictive Affordable Unit Policy through December 2015 • Implement the underlying 1993 Affordable Unit Policy – January 2016 and beyond |

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 and upgrades of major component systems (for example, electrical, plumbing, roofing, heating), and general improvements (for example, exterior finishes). 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 2013 to 2021, 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).

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| Funding: | • Community Development Block Grants |
| Responsible Agencies: | • Planning and Building Department • City Council |
| Objectives: | • Healthy and safe housing |
| Timeframe: | • Ongoing |

5. EQUAL HOUSING OPPORTUNITIES - PROGRAMS

Below identifies the programs that promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, family status, or disability.

PROGRAM 5A: Provide flexibility in reasonably accommodating housing for the physically and developmentally disabled

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. Housing elements shall include programs that remove constraints or provide reasonable accommodation of housing for persons with disabilities. Through its building permit authority, the City enforces State Title 24 accessibility regulations. As needed on a case-by-case basis, the City has made reasonable accommodations with respect to accessibility in its application of zoning/development standards. To ensure full compliance with reasonable accommodation procedures of the Fair Housing Act, the City will adopt 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.

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| Funding: | • Planning and Building Department budget |
| Responsible Agencies: | • Planning and Building Department |
| Objectives: | • Adopt reasonable accommodations ordinance for persons with disabilities |
| Timeframe: | • November 2019 adopt new reasonable accommodations regulations |

PROGRAM 5B: Promote fair housing

The City of Encinitas receives Community Development Block Grant (CDBG) funds from HUD. As a recipient of these funds, the City certifies that it will engage in fair housing planning and work to mitigate impediments to fair housing choice. The goal of the City's Fair Housing Plan is to affirmatively further fair housing through specific education outreach and monitoring activities. The City currently contracts with the North County Lifeline (NCL) to provide fair housing and landlord/tenant services

to residents and landlords in Encinitas. NCL will help mediate and/or assist with filing fair housing complaints. As needed, NCL can arrange testing when unfair practices are suspected.

In 2010, the City partnered with all jurisdictions in the County to conduct a Regional Analysis (AI) of Impediments to Fair Housing Choice. The AI identifies specific improvements to the City's Zoning Code to expand fair housing choices for all. These improvements have been incorporated into this Implementation Plan, as follows:

- Continue to contract with a fair housing agency to provide outreach, education and assistance to residents of Encinitas;
- Continue to disseminate information on fair housing in the City's housing brochure (distributed at libraries, grocery stores, community centers, and other public places) and on the City website; and,
- Update the Analysis of Impediments to Fair Housing Choice in 2014 for the 2015-2020 period.

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| Funding: | • Community Development Block Grants |
| Responsible Agencies: | • Planning and Building Department • City Council |
| Objectives: | • Reduce impediments to fair housing choice |
| Timeframe: | • Ongoing |

6. AT RISK HOUSING - PROGRAMS

There are some government-assisted projects or units that 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. A large percentage of these units typically convert to market rate as subsidy contracts or regulatory agreements expire. The City encourages the development of resources to help "at-risk" seniors and lower income households. The programs reflected herein identify how the City shall preserve assisted housing developments that are at risk of becoming homeless.

PROGRAM 6A: Monitor publicly assisted housing projects

The Housing Element is required to include a program to monitor and work to 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". Thus, this Housing Element's "at-risk" housing analysis covers the period from November 2013 through November 2023.

Consistent with State law, this Housing Element has identified one publicly assisted housing project in Encinitas that is close to being considered "at-risk". Regal Road Apartments (10 units) will convert in the year 2024. The City should analyze their potential to convert to market rate housing uses and analyze the cost to preserve or replace those units.

| | |
|-----------------------|---|
| Funding: | • Planning and Building Department budget |
| Responsible Agencies: | • Planning and Building Department |
| Objectives: | <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 that they are eligible to obtain special Section 8 vouchers reserved for tenants of converted properties |
| Timeframe: | • Contact project owner in January 2021 to determine their intent for the project and/or other improvement needs. If necessary, analyze the cost to preserve the Regal Road Apartments. |

PROGRAM 6B: Extend term of affordability with in-lieu programs

The City will evaluate ways to allow more inclusionary alternatives for below-market-rate unit construction (as described in Program 2A). When the City updates its affordable housing policies (e.g., Inclusionary Housing), additional options should be added to include converting existing market rate housing to affordable housing for a period of at least 30 years, or extending the term of affordability for existing affordable units for at least 55 years.

| | |
|-----------------------|---|
| Funding: | • Planning and Building Department budget |
| Responsible Agencies: | <ul style="list-style-type: none"> • Planning and Building Department • City Council • California Coastal Commission |
| Objectives: | <ul style="list-style-type: none"> • Allow developers to meet inclusionary requirements by preserving at-risk housing units. This will require modification to the Inclusionary Housing Ordinance. • Extend the term of ten (10) units that will convert to market rate during the 2013-2021 planning period or shortly thereafter. |
| Timeframe: | <ul style="list-style-type: none"> • December 2017 updated inclusionary housing program • May 2019 Coastal Commission certification of Local Coastal Program Amendments |

TABLE 3-4: QUANTIFIED OBJECTIVES (2013-202)

| | Extremely Low Income | Very Low Income | Low Income | Moderate Income | Above Moderate Income | TOTALS |
|----------------------------|----------------------|-----------------|------------|-----------------|-----------------------|-----------------|
| New Construction | 275 | 312 | 446 | 413 | 907 | 2,353 |
| Rehabilitation | --- | --- | 40 | --- | --- | 40 |
| Conservation and 'At-Risk' | 25 | --- | --- | --- | --- | 25 ³ |
| Section 8 | 55 | 56 | --- | --- | --- | 111 |

³ The City does not have anything 'At-Risk' in the current 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.

APPENDIX A

Public Participation, Outreach and Activities



APPENDIX B Housing Plan



APPENDIX C

Neighborhood Prototypes



APPENDIX D

Why Housing Matters Brochure



APPENDIX E

Regional Revitalization and Reuse Projects

