

HOUSING ELEMENT UPDATE

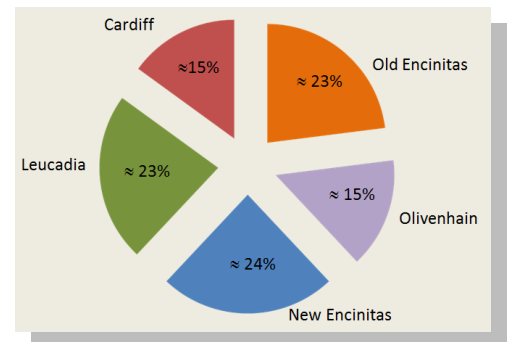
MAPPING STRATEGIES

HOUSING NUMBER ALLOCATION

On July 17, 2013, the City Council determined that the City's share of future housing needs should not be concentrated in any single community or single area of the City. Rather, a general dispersed approach is the appropriate methodology for affordable housing unit distribution in the City. At the time, it was estimated that the remaining housing needs for the City were 853 lower income units.

However, the City continues to work with HCD in an effort to find other opportunities that will help minimize the need for unnecessary rezoning. Based on these preliminary discussions with HCD, it is anticipated that the City's R-25 land use designation and revised assumptions for accessory-unit production helps the City provide additional opportunities for affordable housing construction. **THIS REDUCES OUR REZONING OBLIGATIONS FROM 853 TO 669 UNITS.** While we may find other opportunities to further reduce this number, we do not anticipate that the unit count will be reduced significantly from 669.

"Restart" Average Dispersed Approach



HEIGHT LIMITATION IMPACTS

On June 18, 2013, Encinitas voters approved the "Right to Vote Amendment" Initiative, which appeared on the ballot as "Proposition A". Among other changes, the ballot measure restricts the height of any structure to the lower of two stories or 30 feet. With this new standard, the City must analyze the extent in which it impacts the ability to achieve maximum allowable densities and/or hinder the City from meeting its housing need obligations.

The height restriction is most impacting in mixed-use zones where residential units are developed above ground-floor commercial uses. Most of these sites are located in our downtown area (Old Encinitas) and along Coast Highway 101 in Leucadia. While the zone may allow densities of 30 dwelling units per acre (du/ac), the actual capacity given the current height requirements result in a density closer to 15 du/ac.

This density does not meet HCD's requirements for low income housing. Regardless of any local initiative or growth control measure, the City is still required to complete a Housing Element update and accommodate the full, fair share of RHNA. As such, the units accounted for under the mixed use-zones must be added back into the RHNA calculations as reflected below.

UNIT ALLOCATION

RHNA (2013-2020) AND ADJUSTMENTS	RHNA Breakdown (Meets City Height Limits)	RHNA Breakdown (Meets Height Limits Prior to Prop A)
RHNA Lower Income Unit Assignment + Carryover	1,283	1,283
Current GP Capacity	0	< 359 >
R-25 Zone Capacity	< 124 >	< 124 >
Accessory Unit Production	< 76 >	< 76 >
New Construction	< 55 >	< 55 >
Remaining RHNA	1,028	669

GENERAL ALLOCATION BY COMMUNITY

COMMUNITY	Meets City Height Limits	Meets Height Limits Prior to Prop A
Old Encinitas	237	154
Olivenhain	155	101
New Encinitas	247	161
Leucadia	237	154
Cardiff	155	101
TOTAL	1031*	671*

* Total number is slightly higher because the allocation to each community was rounded to the nearest whole number.

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MAPPING STRATEGIES

LOCATING AFFORDABLE HOUSING SITES – WHAT TO GENERALLY LOOK FOR

While not an exact science, there are a number of factors to consider when identifying sites that could best accommodate affordable housing to lower income households.

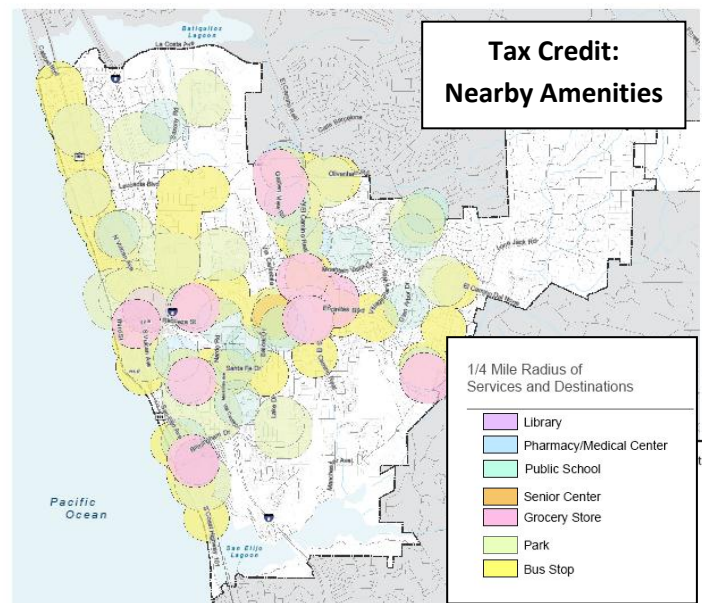
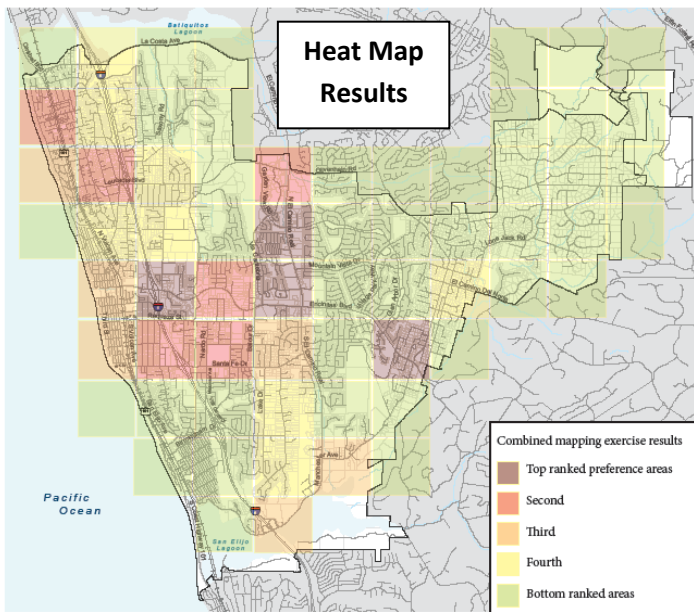
- **LIVABILITY:** A mixture of uses in close proximity, including schools, retail, public amenities and civic uses.
- **JOBS/HOUSING:** Bring housing and workforces together. An ideal balance would allow people to go to work without having to commute long distances if workers struggle to find housing they can afford.
- **TRANSIT ACCESS:** Improved access to transit can reduce transportation costs for working families and mitigate the negative impacts on the environment and the economy.

- **SUSTAINABLE PLACES:** Avoid environmentally sensitive areas and minimize impacts to other valued lands.
- **COHESIVE COMMUNITIES:** Well-integrated projects that can fit within an existing neighborhood and built environment.
- **LOCATION EFFICIENCY:** Take advantage of existing public services and infrastructure, to reduce development costs.
- **COST EFFECTIVENESS:** Minimal site preparatory work (clearing of land) with few constraints reducing overall construction costs. Greater economics at the cost/unit level leads to better financing options for affordable housing developers.

MAPPING EXERCISES – A TALE OF TWO APPROACHES

RESTART EFFORT. As part of the “Restart” effort, a series of mapping workshops were held to help identify potential sites. As previously reported, a total of 30 meetings took place with about 1,000 participants. The “Restart” mapping approach took into consideration many of the factors discussed above, and while the different groups recorded different site preferences, it is evident that there were some noted similarities. Mapping consensus of the “Restart” effort is reflected in the map on the left, where the mapping work completed by all groups has been essentially “joined” together.

AFFORDABLE HOUSING DEVELOPMENT CRITERIA. Many affordable housing projects require some form of subsidy in order to keep construction costs down. A major funding source comes from Housing Tax Credit financing. In fact, it was tax credit financing that enabled the Iris Apartments to be constructed and be subsidized by private investors. Needless to say, given this significant benefit, tax credit financing is highly competitive. To confirm whether the selected mapping locations of the “Restart” effort are truly appropriate, City staff reached out to those who know about affordable housing development who suggested that we look into the selection criteria used under the State’s Tax Credit Program. To determine project eligibility, this program establishes “site amenity criteria,” where scoring is awarded based on proximity to certain critical amenities (i.e. ¼ mile away from transit, grocery store, senior center, etc.). The map on the right reflects several layers of Tax Credit criteria after applying it city-wide.

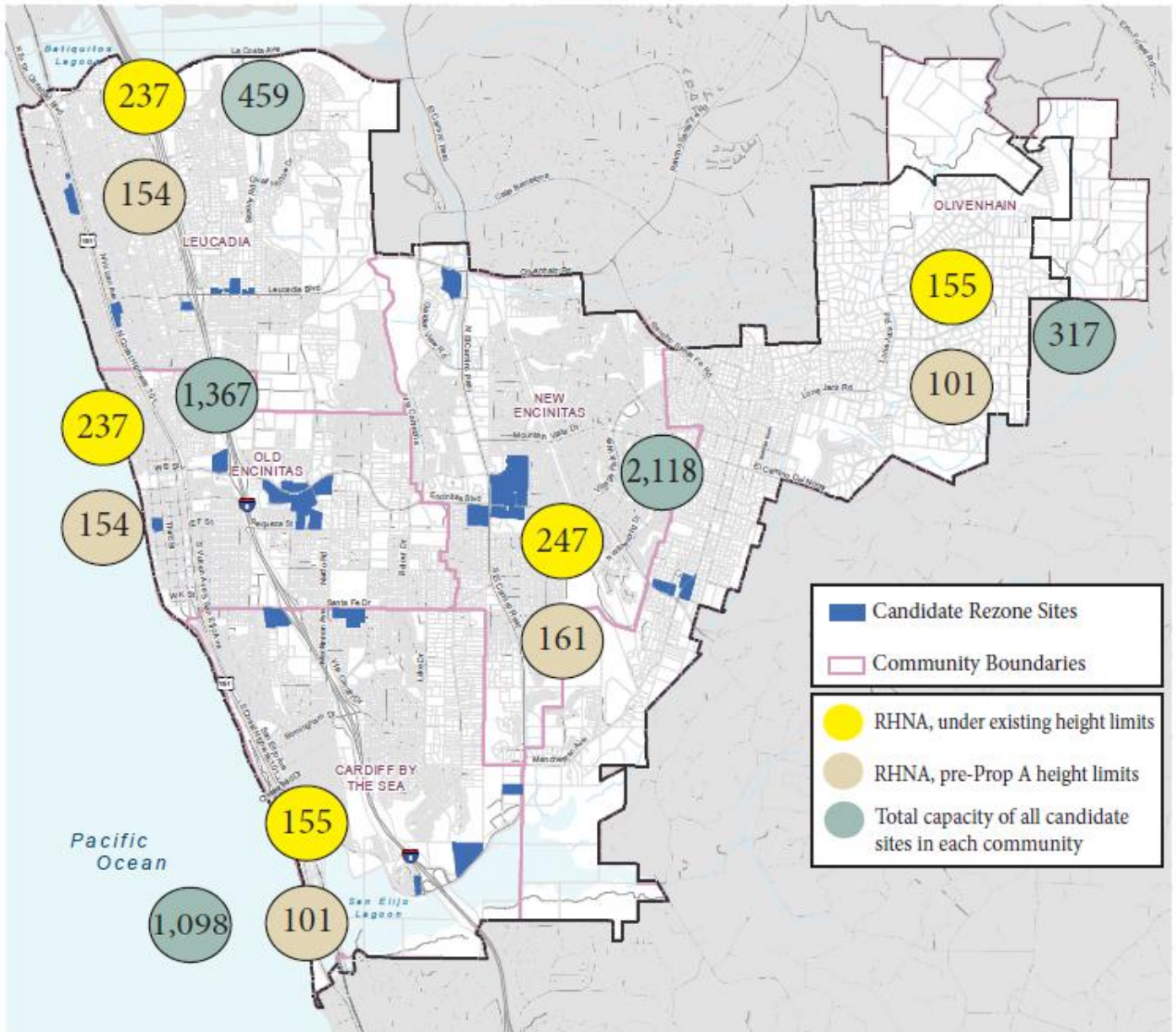


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POTENTIAL AFFORDABLE HOUSING AREAS WITHIN ENCINITAS

When reconciling the two maps, commonalities emerge and show locations in all five communities that demonstrate preference areas for RHNA. From the reconciled maps, we must then assess and identify possible sites within these areas that could reasonably accommodate market-rate or affordable housing projects (i.e. target vacant land, areas for possible redevelopment, etc.). Based on these factors, the possible sites are reflected in blue in the map below.



The map shows community boundaries, with each community assigned three numbers. The number in **TAN** reflects the community's RHNA number when Pre-Prop A height limitations are utilized; the number in **YELLOW** reflects the unit allocation given the City's current height restrictions; and the number in **GREEN** reflects the total capacity of the candidate rezoning sites within a given community. What this shows is that there is flexibility in where sites can be located in order to accommodate a community's fair share of affordable units.

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VOTER OPTIONS WHEN CONSIDERING THE PROPOSED MAPS

As previously mentioned, any mapping strategy that results in an increase in density or intensity will require voter approval. As such, staff is proposing that two maps are presented to the voters:

- Plan Out, Not Up. This conceptual land use map will comply with the City's current height limitations, but given the two-story/30 foot height restriction, the required rezoning will cover a much broader area of the City (i.e. more sites will be rezoned).
- Plan Up, Not Out. Conversely, the other map will concentrate sites, thereby resulting in fewer parcels being rezoned, but the option will include an allowance of three-story/33 foot height limit for the sites being rezoned as part of the proposal as well as the existing mixed use zones concentrated in our downtown area (Old Encinitas) and along North Coast Highway 101 in Leucadia.

These concepts will be presented to stakeholders in each respective community for discussion and feedback, with the idea that both mapping options will be presented to the voters, pursuant to Prop A, for ultimate decision.

PUBLIC OUTREACH AND PARTICIPATION

Numerous public workshops and town meetings have been conducted over the years to help educate and solicit input from the public on the General Plan Update and Housing Element Restart. While these meetings have been valuable and beneficial, it is important to try a different approach and reach out to those folks who have historically been unable to make meetings due to others conflicts/responsibilities.

More and more people communicate via email and receive their information from the internet. Online engagement tools are being used more frequently as it allows for a more productive, collaborative conversation when convenient with the participants schedule. If used effectively, this effort will allow staff to reach out to a broader audience and engage them in dialogue and two-way, cooperative interaction.

There are a number of vendors who provide this service including MindMixer, Peak Democracy and Granicus. Staff will be reaching out to these groups to determine who can best assist us, at a competitive price.

Once the online engagement system is in place, staff intends to hold one public meeting within each community, inviting those who reside or work in that community, to discuss the mapping approach, walk through the proposed map options, and explain how the interactive online platform works.

The target is to initiate these meetings in Fall/Winter 2013.



NEXT STEPS

- Implement the community outreach effort and solicit input and feedback, via online engagement tools on the conceptual land use maps for each respective community;
- Return to the Council, via the Planning Commission, with individual draft community maps based on the outreach for endorsement; and,
- Develop a scope of work and funding requirements to outsource the preparation of the environmental document.

