

# ***HOUSING IN SAN DIEGO COUNTY***

## ***SUMMARY***

Housing is a basic need. San Diego as a region is failing to build enough housing for its current residents and its future residents. Housing construction requires both available land and available money. However, both have been lacking.

The 2022/2023 San Diego County Grand Jury (Grand Jury) researched this issue by examining how other areas of the State and the United States have attacked the twin problems of the lack of land and money to build housing. Our recommendations include several of the methods used by others to attack the issue of the lack of housing.

## ***INTRODUCTION***

At the October 3, 2022 joint meeting between the City Council of San Diego and the San Diego County Board of Supervisors, Nathan Fletcher made the following comments concerning the lack of affordable housing in San Diego. “We know that housing is foundational to life, it is the most basic thing that you need in order to be able to live a fulfilled and thriving life. We also know that in San Diego County, we have some of the least affordable housing anywhere in the country.”<sup>1</sup>

Similarly, Sean Elo-Rivera, City of San Diego City Council President, stated, “Housing is a human right, and we must make this declaration to ensure we as elected leaders and our whole community own our responsibility to take the actions necessary to ensure every San Diegan has a real opportunity to have the decent and stable housing necessary for a dignified and healthy life.”<sup>2</sup>

The lack of housing, in general and affordable housing, is driving people to leave California or to move outside of San Diego County to lower cost areas of the state.<sup>3</sup> The State of California and the San Diego Association of Governments (SANDAG) are pushing for the development of additional housing at all income levels to address these housing concerns.

The Regional Housing Needs Assessment (RHNA) is mandated by State Housing Law as part of the periodic process of updating local housing elements, a part of each jurisdictions General Plan. RHNA quantifies the need for housing within each jurisdiction during specified 8-year planning periods, referred to as cycles. During the 5<sup>th</sup> Housing Element cycle (January 1, 2013 to December 31, 2020) the San Diego region was required by the State of California to plan for 161,980 housing units. The 161,980 housing units were divided among the four state-designated

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<sup>1</sup>[https://sdcounty.granicus.com/player/clip/3322?view\\_id=9&redirect=true&h=58a6fa0cc3586b1b6379baef710e199](https://sdcounty.granicus.com/player/clip/3322?view_id=9&redirect=true&h=58a6fa0cc3586b1b6379baef710e199)

<sup>2</sup>[https://sdcounty.granicus.com/player/clip/8560?view\\_id=3&redirect=true&h=cfa31a51efbf80dcc585603256f24108](https://sdcounty.granicus.com/player/clip/8560?view_id=3&redirect=true&h=cfa31a51efbf80dcc585603256f24108)

<sup>3</sup> <https://www.ppic.org/blog/californias-population-shifts-may-lead-to-new-income-divides/#:~:text=People%20leaving%20the%20state%20have,for%20income%20patterns%20across%20California.>

income levels as measured against the Area Median Income (AMI). The income categories and the number of housing units to be planned for were: Very low income (36,450 units), Low income (27,700 units), Moderate income (30,610 units), and Above moderate income (67,220 units)<sup>4</sup>. Please see the Discussion section where income categories are broken down.

However, for the 5<sup>th</sup> Housing Element Cycle only the City of Lemon Grove of the 19 SANDAG jurisdictions was able to permit enough housing at each of the levels of affordability<sup>5</sup>.

As shown on the Table below all others failed to meet all four of the allocation goals and seven failed to meet any of the four allocation goals.

<b>Table – Jurisdictions and Results of Fifth RHNA Cycle</b>				
<b>Jurisdiction</b>	<b>Very low Income (Goal)</b>	<b>Low Income (Goal)</b>	<b>Moderate Income (Goal)</b>	<b>Above Moderate Income (Goal)</b>
Carlsbad	Unmet	Unmet	Unmet	<b>Met</b>
Chula Vista	Unmet	Unmet	Unmet	<b>Met</b>
Coronado	Unmet	Unmet	Unmet	<b>Met</b>
Del Mar	Unmet	Unmet	<b>Met</b>	<b>Met</b>
El Cajon	Unmet	Unmet	Unmet	Unmet
Encinitas	Unmet	Unmet	Unmet	<b>Met</b>
Escondido	Unmet	Unmet	Unmet	Unmet
Imperial Beach	Unmet	Unmet	Unmet	<b>Met</b>
La Mesa	Unmet	Unmet	Unmet	<b>Met</b>
Lemon Grove	<b>Met</b>	<b>Met</b>	<b>Met</b>	<b>Met</b>
National City	Unmet	Unmet	Unmet	Unmet
Oceanside	Unmet	Unmet	Unmet	Unmet
Poway	Unmet	<b>Met</b>	Unmet	Unmet
San Diego	Unmet	Unmet	Unmet	<b>Met</b>
San Marcos	Unmet	Unmet	Unmet	<b>Met</b>
Santee	Unmet	Unmet	Unmet	Unmet
Solana Beach	Unmet	Unmet	Unmet	Unmet
Vista	Unmet	Unmet	Unmet	<b>Met</b>
San Diego County	Unmet	Unmet	Unmet	Unmet

In recognition that San Diego County is failing to provide enough housing for its current and future citizens, the Grand Jury decided to look at the failure of the cities and County to meet their Regional Housing Needs Allocation goals and evaluate steps that could be taken to increase the regional housing stock. This is particularly timely as we have entered the Sixth RHNA Cycle (June 30, 2020 to April 15, 2029). During this period the region needs to plan for an increase of approximately 10,000 housing units over the Fifth Cycle totaling 171,685 units. Again, the

<sup>4</sup>“5<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA) Fact Sheet” SANDAG, no date,

<sup>5</sup> ibid

171,685 housing units were divided among the four income levels: (Very low 42,332), Low (26,627), Moderate (29,732), and Above moderate (72,992).<sup>6</sup>

### ***METHODOLOGY***

The Grand Jury interviewed and requested information from staff from San Diego County and the 18 cities that comprise SANDAG:

- County of San Diego
- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista

The Grand Jury researched and reviewed these documents:

- SANDAG 5th Cycle Regional Housing Needs Assessment (RHNA), Fact Sheet
- SANDAG Regional Housing Needs Assessment Plan, Fifth Housing Element Cycle, Planning for Housing in the San Diego Region, 2010-2020
- An Audit Report prepared for the California State Auditor in relation to the audit ordered by the Joint Legislative Audit Committee.
- The Planner's Guide to Specific Plans
- SANDAG Pro-Housing Best Practices for the San Diego Region
- SANDAG Capital Mapping for the San Diego Region
- SANDAG 6th Cycle Regional Housing Needs Assessment (RHNA), Fact Sheet
- Appeals and Responses to Appeals by the Cities of Coronado, Lemon Grove, Solana Beach, and Imperial Beach regarding the Sixth Cycle RHNA allocations
- The Housing Elements from each of the 19 jurisdictions that comprise SANDAG.

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<sup>6</sup> <https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/regional-initiatives/housing-land-use/regional-housing-needs-assessment/6th-cycle-regional-housing-needs-assessment-methodology-2019-11-22.pdf>

The Grand Jury also reviewed the following California statutes regarding housing including:

- The Sustainable Communities and Climate Protection Act (SB375)
- The Housing Accountability Act of 1982 and subsequent amendments (SB 167), (AB678), (AB 1515), (AB 3194), (SB 330)
- Changes to Local Planning (AB1397)
- Housing Crisis Act of 2019 (SB330)
- Streamlined Affordable Housing Act (SB35)
- Surplus Land Act (AB1486)
- Housing on Educational Properties (AB2295)

## ***DISCUSSION***

### ***The Regional Housing Needs Assessment Process***

Since 1969, every eight years, the State of California has required all local governments (cities and counties) to plan to meet the housing needs of everyone in the community.<sup>7</sup> This planning process ends with the creation of the Regional Housing Needs Allocation or RHNA. The process has four main components<sup>8</sup>:

- RHNA Determination – As a first step, the California Department of Finance projects future population and household formation within the state over an eight-year period. Then, the California Department of Housing and Community Development (HCD), in consultation with the local lead agency, projects the regionwide housing need. SANDAG is the local lead agency for San Diego County. The projections are based on vacancy rates, household size, and other factors. The housing need is subdivided into four income categories based on the Average Median Income (AMI). For San Diego County, in 2022 the AMI was \$106,900 for a family of four.<sup>9</sup> The categories are: Very low (<50% of AMI), Low (50 to 80% of AMI), Moderate (80 to 120% of AMI), and Above moderate (>120% AMI).
- RHNA Plan Methodology – SANDAG and the 18 cities and the County of San Diego prepare a methodology that distributes the RHNA Determination to each city and the County. The plan is required to advance state objectives such as Senate Bill 375<sup>10</sup> which requires consistency between the RHNA Plan and the development pattern of the Sustainable Communities Strategy (SCS). SB 375 also requires that the SCS land use pattern, and the RHNA, aid in meeting the greenhouse gas (GHG) reduction targets set by the California Air Resources Board.
- RHNA Plan Allocation – Using the RHNA Plan methodology, a specific number of housing units are allocated to each city and the County; in each of the four income categories.

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<sup>7</sup> <https://www.hcd.ca.gov/planning-and-community-development/regional-housing-needs-allocation>

<sup>8</sup> <https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/regional-initiatives/housing-land-use/regional-housing-needs-assessment/6th-cycle-regional-housing-needs-assessment-fact-sheet-2020-02-01.pdf>

<sup>9</sup> <https://www.sandiegocounty.gov/sdhcd/rental-assistance/income-limits-ami/>

<sup>10</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=200720080SB375](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375)

- Housing Element Updates – For the final step, each city and the County are required to update their Housing Element to meet their allocations<sup>11</sup>. The Housing Element is that part of the General Plan that lays out how the city and the County will meet their allocations. The Housing Element includes an inventory of sites for development at each of the four income levels. If necessary, it also identifies sites that could be rezoned to accommodate shortfalls in the number of sites identified vs the number of sites allocated. Once completed and approved by the jurisdiction’s political leaders, the Housing Elements are reviewed by HCD for conformance with State laws and mandates. In most cases the HCD will require revisions to bring it into compliance with State laws and mandates.

Failure to get HCD approval of its Housing Element opens a local government to a number of potential penalties including exposure to litigation from housing rights organizations, developers and HCD itself, loss of its ability to issue permits and control development in its jurisdiction, financial penalties including fines of up to \$100,000/month, and court ordered receivership to bring the jurisdiction’s Housing Element into substantial compliance with HCD<sup>12</sup>.

### ***Cities and Planning for Housing***

In 2012, the State of California dissolved redevelopment agencies. Before that, local governments often had used redevelopment money to acquire land and develop housing on their own or to assist private developers in creating housing. Instead, cities and the County now use other planning techniques to increase opportunities for the private sector to develop housing in general and affordable housing.

The State of California already has many laws in place to encourage the development of housing. Several local governments have gone above the State minimum requirements to encourage the development of housing. Some examples include:

- Poway is planning to include incentives for deed-restricting Accessory Dwelling Units (ADUs; aka “Granny Flats”) and put into place allowances for larger ADUs (up to 1,500 square feet) to meet the needs of larger low-income households.<sup>13</sup>
- Encinitas<sup>14</sup> and the County of San Diego<sup>15</sup> have Permit Ready ADU plans for residents to use in planning and developing ADUs.
- Del Mar, similar to Poway, allows construction of a larger ADU on a lot if the unit is deed restricted to low-income renters<sup>16</sup>.

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<sup>11</sup> [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202120220AB1398](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1398)

<sup>12</sup> <https://abag.ca.gov/sites/default/files/documents/2021-06/Consequences%20of%20Non-Compliance%20with%20Housing%20Laws.pdf>

<sup>13</sup> <https://www.poway.org/DocumentCenter/View/8172/Draft-Poway-2020-2029-Housing-Element-Update?bidId=>

<sup>14</sup> <https://encinitasca.gov/pradu>

<sup>15</sup> [https://www.sandiegocounty.gov/content/sdc/pds/bldg/adu\\_plans.html](https://www.sandiegocounty.gov/content/sdc/pds/bldg/adu_plans.html)

<sup>16</sup> [https://www.delmar.ca.us/DocumentCenter/View/8445/04\\_Housing-Plan](https://www.delmar.ca.us/DocumentCenter/View/8445/04_Housing-Plan)

- Santee passed Ordinance 592 enacting the Essential Housing program to boost housing production and improve housing affordability by expediting and incentivizing the construction of new housing. It allows certain housing developments to be approved ministerially (essentially over the counter), if they meet specific criteria.<sup>17</sup> Under the ordinance the Planning Director has 30 days to review the application and if it meets the criteria.<sup>18</sup>
- San Diego County encourages the development of ADUs in unincorporated areas by waiving building permit fees, onsite wastewater fees, development impact fees, park fees, traffic impact fees, and drainage fees.<sup>19</sup>

### ***City of Lemon Grove***

As noted, the City of Lemon Grove successfully met their RHNA housing allocations for each of the income categories identified by SANDAG in the Fifth RHNA Cycle<sup>20</sup>. The city benefited from having the Citronica development (an affordable housing development) in the planning process prior to the beginning of the Fifth Cycle.

Additionally, Lemon Grove implemented zoning changes (raising height limits, increasing density) and amended its Downtown Specific Plan to include more housing. Each of these measures helped the city to meet its allocations in the other income categories. Lemon Grove also benefited as a developer came in and developed one of the last large vacant tracts of land within the city during the Fifth RHNA cycle.

### ***Specific Plans***

Per the Governor’s Office of Planning and Research (OPR),<sup>21</sup> a specific plan addresses development at a defined area within a city or county’s boundaries. Specific plans may be general and set forth broad policy concepts, or they may be detailed and give direction for every facet of development including the type, location, and intensity of uses. Specific plans can also give design guidelines for subdivisions and for infrastructure in the area. One of the benefits of creating a specific plan is that it can be used to streamline development by providing a framework for development and complying with California Environmental Quality Act guidelines.

Several cities, besides Lemon Grove, have successfully used specific plans to promote the development of housing, particularly in areas near mobility hubs. Per SANDAG, a mobility hub is a community with high concentration of people, destinations, and travel choices<sup>22</sup>. El Cajon and Chula Vista are just two of the many cities in the County that have used specific plans to encourage housing development.

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<sup>17</sup> <https://www.sandiegocounty.gov/content/dam/sdc/pds/gpupdate/06-Housing-Element-2021.pdf>

<sup>18</sup> <https://www.cityofsanteeca.gov/services/development-services/planning-and-zoning-services/essential-housing-program>

<sup>19</sup> County of San Diego, 6<sup>th</sup> Cycle Housing Element Update, County of San Diego General Plan, July 14, 2021

<sup>20</sup> <https://www.sandiegocounty.gov/content/dam/sdc/pds/gpupdate/06-Housing-Element-2021>

<sup>21</sup> <https://californiareleaf.org/wp-content/uploads/2019/06/OPR-A-Planners-Guide-to-Specific-Plans.pdf>

<sup>22</sup> [https://sandag.org/~link.aspx?\\_id=7C64D5A105C14CE6873837EB99A5E5F1&\\_z=z](https://sandag.org/~link.aspx?_id=7C64D5A105C14CE6873837EB99A5E5F1&_z=z)

El Cajon adopted a Transit District Specific Plan (TDSP)<sup>23</sup> to transform the area around the El Cajon Transit Center. Among the key goals of the TDSP are to: “Establish a mix of transit-supportive land uses that increase housing opportunities and enhances transit ridership; Improve the safety and comfort of the mobility corridors for pedestrians and bicyclists to increase the number of trips made by foot and bicycle to and from the transit station; Spur revitalization of the area through public and private investment; Highlight neighborhood identity; and Remove barriers to smart growth development.”

Chula Vista adopted the Palomar Gateway Plan for the portion of the city near the intersection of Palomar Street and Interstate Highway 5.<sup>24</sup> According to the City of Chula Vista Plan, the goal of the Palomar Gateway Specific plan is to provide additional housing and mixed-use development (residential and commercial) that take advantage of having a major transit station within walking distance.

### ***Housing Bonds Issued by Local and Regional Governments***

As noted earlier, a major impediment to creating additional housing has been the lack of money formerly available from redevelopment agencies. As a result, some local and regional governments elsewhere in California have either issued or are planning to issue bonds to assist in the development of affordable housing. Some examples are listed below.

In November 2016, Santa Clara County voters approved Measure A, to raise \$950 million for the construction of affordable housing<sup>25</sup>. According to the County of Santa Clara, Office of Supportive Housing, Measure A was intended to: increase the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons; increase the supply of housing that is affordable to extremely low-income households; and improve coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

As of June 2022, Measure A funding has been used to create over 4,000 new apartments, pay for the renovation of nearly 700 housing units, assist with the construction of 47 housing developments, and assisted over 200 families to finance their first homes<sup>26</sup>.

In 2019, the California legislature enacted AB 1487 that, with the governor’s signature, created the Bay Area Housing Finance Authority (BAHFA). According to the Legislative Analyst: “One of the authority’s major purposes was to raise, administer, and allocate funding for affordable housing in the San Francisco Bay area.”<sup>27</sup> The bill specifically authorized BAHFA to: “...among other things, **raise and allocate new revenue, incur and issue bonds and other indebtedness,**

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<sup>23</sup> <https://www.elcajon.gov/home/showpublisheddocument/18727/638061165873470000>

<sup>24</sup> <https://www.chulavistaca.gov/home/showpublisheddocument/7356/635579674066370000>

<sup>25</sup> <https://osh.sccgov.org/housing-community-development/2016-measure-affordable-housing-bond>

<sup>26</sup> <https://osh.sccgov.org/housing-community-development/2016-measure-affordable-housing-bond/2016-measure-housing-bond>

<sup>27</sup> [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB1487](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1487)

and allocate funds to the various cities, counties, and other public agencies and affordable housing projects within its jurisdiction to finance affordable housing development projects, preserve and enhance existing affordable housing, and fund tenant protection programs.” (NOTE: Bolding by Grand Jury).

In 2022, the legislature enacted SB 679 that, with the governor’s signature, created the Los Angeles County Affordable Housing Solutions Agency<sup>28</sup>. According to the Legislative Analyst: “This bill would authorize the agency to, among other things, **raise and allocate new revenue, incur and issue bonds and other indebtedness**, and place on the ballot in Los Angeles County, including all of its incorporated cities, funding measures...”(NOTE: Bolding by Grand Jury).

Last legislative session, California State Senator Ben Hueso, representing San Diego and Imperial Counties, introduced SB 1105, “The San Diego Regional Equitable and Environmentally Friendly Housing Act”<sup>29</sup>. This bill, which did not make it out of committee, would have established the San Diego Regional Equitable and Environmentally Friendly Affordable Housing Agency. This bill was aimed at increasing housing supply in San Diego County by providing funding and technical assistance for housing projects and programs, equitable housing preservation, and rental protection programs. The bill would have authorized the agency to raise money either by taxes and fees of various kinds or by **issuing revenue bonds** (NOTE: Bolding by Grand Jury).

### ***Taxes and Fees Used to Further Housing Development***

Another way some local governments have raised money for housing development is by increasing taxes and fees on businesses and developers. Some recent examples from around the United States and locally are:

In 2021, the City of Seattle implemented a payroll expense tax to help fund housing in the city. According to the Seattle’s website, in 2022 the payroll expense tax is required of businesses with \$7,386,494 or more of payroll expense in Seattle in 2021, and compensation in Seattle for the current calendar year (2022) paid to at least one employee whose annual compensation is \$158,282 or more.<sup>30</sup>

According to the City of Seattle, Department of Finance and Administrative Services, there were over 500 firms paying this tax.<sup>31</sup> Per a recent news article from a Seattle area newspaper the tax brought in approximately \$231 million in its first year.<sup>32</sup> Sixty-two percent of the revenues from the City of Seattle payroll tax are dedicated to the construction of affordable housing<sup>33</sup>.

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<sup>28</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB679](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB679)

<sup>29</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220SB1105](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1105)

<sup>30</sup> <https://www.seattle.gov/city-finance/business-taxes-and-licenses/seattle-taxes/payroll-expense-tax>

<sup>31</sup> City of Seattle, Department of Finance and Administrative Services, email, December 21, 2022

<sup>32</sup> <https://www.seattletimes.com/seattle-news/seattles-jumpstart-tax-on-big-businesses-salaries-upheld-by-wa-court/>

<sup>33</sup> [https://library.municode.com/WA/seattle/codes/municipal\\_code?nodeld=TIT5REFITA\\_SUBTITLE\\_IITA\\_CH5.38PA\\_EXTA\\_5.38.050ALAP](https://library.municode.com/WA/seattle/codes/municipal_code?nodeld=TIT5REFITA_SUBTITLE_IITA_CH5.38PA_EXTA_5.38.050ALAP)



The City of San Diego, among other local jurisdictions, charges a fee (the Housing Impact Fee) on commercial developments within the city. The fees are deposited into the City's Affordable Housing Fund. The San Diego Housing Commission (SDHC) administers the Affordable Housing Fund, which helps meet the housing needs of the City's very low, low, and median income households. According to the SDHC website,<sup>34</sup> the Commission controls nearly 600 properties that include over 24,000 affordable units.

### ***Workforce Housing for Personnel in Education***

A recent report by cityLAB<sup>35</sup>, the research and design center of Architecture and Urban Design at UCLA, suggested that schools may be a large potential source of land for housing. cityLAB noted in their report that on many campuses, prime sites for affordable housing development include parking lots, portable classrooms, or derelict buildings.

In 2016, the California legislature enacted, and the governor signed, SB 1413.<sup>36</sup> The Act authorized a school district to establish and implement programs to address the affordable housing needs of teachers and school district employees. In 2019, the California legislature enacted, and the governor signed, AB 1719, extending this program to community college districts.<sup>37</sup>

In California, there are already some examples of school and university districts developing workforce housing for educational staff. For example, in 2001 the Santa Clara Unified School District constructed the 40-unit Casa Del Maestro Apartment Complex for District teachers<sup>38</sup>.

This program was so successful that an additional 30 units were constructed in 2006. The 70 units are rented at below market rate (80%)<sup>39</sup>. The Casa Del Maestro Apartment Complex is located on a school site and includes 1 and 2-bedroom units with a one car garage. Teachers can sign up for the waiting list if they are within their first 10 years of employment with the District.

In 2019, San Francisco voters passed Proposition E, the Affordable Housing and Educator Housing proposition<sup>40</sup>. The first project to be built under Proposition E is the Shirley Chisholm Village.<sup>41</sup> It is currently under construction on a property formerly used by the school district for storage and will provide new homes for San Francisco Unified School District (SFUSD) educators and employees at a variety of income levels.

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<sup>34</sup><https://public.tableau.com/app/profile/san.diego.housing.commission.sdhc/viz/CityofSanDiegoAffordableHousingOverview/AffordableHousingOverview>

<sup>35</sup> <https://www.csba.org/-/media/CSBA/Files/Advocacy/LegislativeAdvocacy/ResearchReport.ashx?la=en&rev=2d0b1e2e409f4dc6b3177338d016cbb1>

<sup>36</sup> [https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1413](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1413)

<sup>37</sup> [https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1719](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1719)

<sup>38</sup> <https://www.santaclarausd.org/Page/3537>

<sup>39</sup> *ibid*

<sup>40</sup> <https://sfelections.sfgov.org/november-5-2019-election-results-summary>

<sup>41</sup> <https://www.scv-midpen.com/>

The University of California at Irvine (UCI) also provides educational workforce housing. The Irvine Campus Housing Authority (ICHA<sup>42</sup>) was created to develop and maintain University Hills, a for-sale and rental housing community on the UCI campus. The goal was to provide affordable housing to eligible full-time UCI employees. The community has four apartment communities, two condominium associations, townhomes, paired homes, single family detached homes and a few custom homes.

The San Diego Unified School District (SDUSD) was able to pass Proposition U at the last election. Under Proposition U, SDUSD is planning a program for educator workforce housing.<sup>43</sup> No others among the public school districts, community colleges, and universities in San Diego County have a similar program. However, we note that the City of Poway does give preference to Poway Unified School District (PUSD) employees when affordable housing becomes vacant in city-owned housing units. According to the Draft Housing Element, the city is to: “Support the Poway Unified School District by coordinating affordable housing activities with the school district.”<sup>44</sup>

### ***Transit Agencies and Housing***

According to the websites of the two major transit agencies in San Diego County, North County Transit District (NCTD) and Metropolitan Transit System (MTS), both are actively involved in furthering development at properties they own or control.

As of November 2022, the NCTD website lists five projects that are in the process of planning or are actively in the development phase<sup>45</sup>. These include developments at the Oceanside and Escondido Transit Centers, two Coaster Stations in Carlsbad, and at seven Sprinter Station Parking lots. In the last two decades, NCTD had attempted twice to work with the City of Solana Beach to develop the property it owns there. However, neither effort was successful.<sup>46, 47</sup>

Similarly, MTS’s website identifies a number of properties throughout their system available for joint development opportunities.<sup>48</sup> MTS is also currently actively involved in developing affordable housing at its Beyer Boulevard Trolley Station, in south San Diego, in conjunction with Affirmed Housing, an affordable housing developer.<sup>49</sup>

### ***Religious Institutions and Housing***

Another potential source of land that could be available for housing are religious institutions. A local non-profit, Yes in God’s Backyard San Diego (YIGBY San Diego), is seeking to work with faith communities to build affordable housing in the San Diego Region. According to their

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<sup>42</sup> <https://icha.uci.edu/about-university-hills/>

<sup>43</sup> <https://www.sdvote.com/content/dam/rov/en/sb/SB-ENG-625.pdf#page=128>

<sup>44</sup> City of Poway, Draft Housing Element 2020-2029, July 2021.

<sup>45</sup> <https://gonctd.com/real-estate-redevelopment/>

<sup>46</sup> San Diego Union-Tribune, “Solana Beach council to discuss sand, train station project,” January 20, 2007

<sup>47</sup> Del Mar Times, “Solana Beach council shown top design for train station,” October 5, 2016

<sup>48</sup> <https://www.sdmts.com/business-center/real-estate>

<sup>49</sup> <https://www.sdmts.com/inside-mts/media-center/news-releases/mts-approves-new-affordable-housing-development-south-bay>

website, they are pushing to develop 3,000 housing units on land owned or controlled by religious institutions here in San Diego by 2025. They state, “Our vision is to be a resource to faith communities that want to use their surplus land to develop much needed affordable housing in the San Diego region. Our approach is to help congregations create a triple bottom line where they are providing mission driven housing solutions, using environmentally sustainable materials and contributing to their own financial well-being.”<sup>50</sup>

Locally, YIGBY San Diego and the Bethel AME Church in San Diego are moving ahead to build a transit-oriented development with 26 one-bedroom apartments on church property at Imperial Avenue and 32nd Street.<sup>51</sup>

State Senator Scott Wiener of San Francisco recently introduced SB 4. This bill would reduce barriers that religious and nonprofit organizations often face when planning multi-family housing projects on their properties.<sup>52 53</sup> It also allows this to occur even if local zoning prevents this.

According to a recent study by the Turner Center for Housing Innovation at UC Berkeley,<sup>54</sup> there are nearly 40,000 acres of land controlled by religious institutions throughout the State of California that could be developed for affordable housing. Similar to school districts, areas that could be developed include parking lots and surplus land owned or controlled by the religious institutions.

In a public comment on the City of Solana Beach’s Housing Element, St. James Catholic Parish, noted that they had “been working with the San Diego chapter of Catholic Charities in identifying potential uses for available land we possess at the south end of our property. We would like to go on record expressing an interest in developing this land for public benefit, specifically housing to support low-income individuals. Please consider including this intention in your Housing Element Update.”<sup>55</sup>

## ***FACTS AND FINDINGS***

***Finding 01:*** The City of Lemon Grove met its housing allocation for all the income categories identified by SANDAG in the Fifth RHNA Cycle.

***Finding 02:*** The County of San Diego failed to meet their housing allocation for all income levels.

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<sup>50</sup> <https://yigby.org/about-yigby/#top>

<sup>51</sup> San Diego Union-Tribune, Michael Smolens Column: “Effort to ease housing construction on church land gets a new life,” December 21, 2022

<sup>52</sup> <https://sd11.senate.ca.gov/legislation>

<sup>53</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB4](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB4)

<sup>54</sup> <https://turnercenter.berkeley.edu/research-and-policy/faith-based-housing-development>.

<sup>55</sup> [https://www.cityofsolanabeach.org/sites/default/files/Solana%20Beach/Community%20Development/Housing%20Element%20Update/Solana%20Beach%20Housing%20Element%20Update\\_February2023\\_Clean.pdf](https://www.cityofsolanabeach.org/sites/default/files/Solana%20Beach/Community%20Development/Housing%20Element%20Update/Solana%20Beach%20Housing%20Element%20Update_February2023_Clean.pdf)

***Finding 03:*** The following cities did not meet their housing allocations for all income categories: Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach and Vista.

***Finding 04:*** The San Diego region failed to meet its housing allocations for each of the income categories identified by SANDAG in the Fifth RHNA Cycle.

**Fact:** In 2018, the City of El Cajon implemented its Transit District Specific Plan to transform the area around the El Cajon Transit Center and increase the housing stock in that area.

**Fact:** In 2013, the City of Chula Vista initiated its Palomar Gateway Specific Plan with the goal of providing housing and mixed-use development near the Palomar Street trolley station.

***Finding 05:*** Specific plans are useful tools in spurring development, including housing development, and have been used by El Cajon and Chula Vista among others.

**Fact:** In November 2016, Santa Clara County voters approved Measure A – the \$950 million affordable housing bond measure.

**Fact:** As of June 2022, Santa Clara County’s Measure A funding has been used to create new apartments and housing developments, pay to renovate housing, and allocate money to a first-time homebuyer program.

**Fact:** In 2019 the Bay Area Financing Housing Authority was authorized for the San Francisco Bay Area with the express intention of raising money to finance development of additional housing throughout the San Francisco Bay Area.

**Fact:** In 2022 the Los Angeles County Affordable Housing Solutions agency was formed with ability to raise money to finance development of additional housing throughout Los Angeles.

**Fact:** The City of Seattle recently implemented a payroll tax on select companies. This year companies with sales of more than \$7,386,494 per year are taxed on the number of employees making more than \$158,282 per year. Over 500 companies paid the tax.

**Fact:** Currently, the City of San Diego levies a Housing Impact Fee on commercial development and the funds levied are deposited into the City’s Affordable Housing Fund. Monies in that fund are used by the San Diego Housing Commission to develop its programs for affordable housing development, housing vouchers, etc.

**Fact:** In California, Santa Clara County and the San Francisco Bay and Los Angeles areas are using or are planning to use the financing authority given to them to fund the current and future development of affordable housing.

**Fact:** Housing impact fees are used to generate funds for affordable housing by the City of San Diego.

**Fact:** In Seattle, the City is using its authority to levy taxes to fund the current and future development of affordable housing.

**Fact:** cityLAB identified school districts as government entities that have land available for construction of affordable housing, particularly for employees of the district.

**Fact:** SFUSD identified underutilized land it owned and is developing it, in conjunction with the City of San Francisco, into a residential community with housing set aside for district employees.

**Fact:** The Santa Clara School District constructed workforce housing for its personnel more than a decade ago.

**Fact:** The University of California at Irvine developed housing on the campus for full-time university employees and their families.

**Fact:** North County Transit District is making surplus land available for development at several locations under its ownership or control.

**Fact:** North County Transit District recently agreed to develop land it controls, in conjunction with a developer, for a mixed-use development at the Oceanside Transit Center. The development is to include affordable housing.

**Fact:** The Metropolitan Transit System has identified surplus land available for development at several locations under its ownership or control.

**Fact:** The Metropolitan Transit System is working with a housing developer to construct affordable housing at its Beyer Boulevard Trolley Station.

**Fact:** YIGBY San Diego, a local group, is working with religious institutions in the San Diego region to develop affordable housing on land owned or controlled by those institutions.

**Fact:** YIGBY San Diego is working with Bethel AME church, to build an affordable housing development for veterans in the City of San Diego.

**Fact:** The Turner Center of Housing Innovation identified religious institutions as potentially having land available for construction of affordable housing.

**Finding 06:** Both transit agencies in San Diego County (NCTD and MTS) have made land available for development and are actively developing projects that include housing, among other uses.

## ***RECOMMENDATIONS***

**The 2022/2023 San Diego County Grand Jury recommends that the Chief Administrative Officer of the County of San Diego, the Mayor and City Council for the City of San Diego, and the City Managers of the cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Marcos, Santee, Solana Beach, and Vista:**

- 23-01:** Consider, if they have not done so, using specific plans (as defined by the Governor’s Office of Planning and Research) to facilitate the permitting and development of housing, particularly affordable housing, in their jurisdictions.
- 23-02:** Consider working with school districts and community college districts within their jurisdictions to identify developable land for housing owned by districts within their boundaries.
- 23-03:** Consider working with local religious institutions within their jurisdictions to identify land developable for housing, particularly affordable housing.
- 23-04:** Consider drafting revenue-generating legislation at the jurisdiction level, if feasible and legal e.g., the Seattle Jumpstart Tax. Monies generated by such a tax to fund or assist in funding the construction of housing, particularly affordable housing.

**The 2022/2023 San Diego County Grand Jury recommends that the Chief Administrative Officer of the County of San Diego, Mayor and City Council of the City of San Diego, and the City Managers of the cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Marcos, Santee, Solana Beach, and Vista:**

- 23-05:** Consider providing legislative support to re-introducing in the State Legislature SB 1105, or similar legislation, to create a San Diego County agency that could raise revenue for housing.
- 23-06:** Consider providing legislative support to SB4, which is currently before the legislature. This bill makes it easier to provide affordable housing on land owned by religious institutions.

**The 2022/2023 San Diego County Grand Jury recommends that City Manager of the city of Solana Beach:**

**23-07: Consider requesting proposals for development at the NCTD Coaster Station property to include affordable housing.**

**The 2022/2023 San Diego County Grand Jury recommends that the Chief Administrative Officer of the County of San Diego and the City Managers of the cities of Escondido, San Marcos, Vista, Oceanside, and Carlsbad:**

**23-08: Continue working with the North County Transit to identify land suitable for development of housing, particularly affordable housing, at major transit stops including Coaster and Sprinter train and bus lines as appropriate.**

**The 2022/2023 San Diego County Grand Jury recommends that the Chief Administrative Officer of the County of San Diego and the City Managers of the cities of El Cajon, La Mesa, Lemon Grove, National City, and Chula Vista:**

**23-09: Continue working with the Metropolitan Transit District to identify land suitable for development of housing, particularly affordable housing, at major transit stops including trolley and bus lines as appropriate.**

### ***REQUIREMENTS AND INSTRUCTIONS***

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
  - (1) The respondent agrees with the finding
  - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
  - (1) The recommendation has been implemented, with a summary regarding the implemented action.

- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
  - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
  - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<b>Responding Agency</b>	<b>Recommendations</b>	<b>Date</b>
<b>Chief Administrative Officer, County of San Diego</b>	<b>23-01 through 23-06, 23-08 through 23-09</b>	<b>8/9/2023</b>
<b>Mayor, City of San Diego</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Council, City of San Diego</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Manager, City of Carlsbad</b>	<b>23-01 through 23-06, 23-08</b>	<b>8/9/2023</b>
<b>City Manager, City of Chula Vista</b>	<b>23-01 through 23-06, 23-09</b>	<b>8/9/2023</b>
<b>City Manager, City of Coronado</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Manager, City of Del Mar</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Manager, City of El Cajon</b>	<b>23-01 through 23-06, 23-09</b>	<b>8/9/2023</b>
<b>City Manager, City of Encinitas</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Manager, City of Escondido</b>	<b>23-01 through 23-06, 23-08</b>	<b>8/9/2023</b>
<b>City Manager, City of Imperial Beach</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>



<b>Responding Agency</b>	<b>Recommendations</b>	<b>Date</b>
<b>City Manager, City of La Mesa</b>	<b>23-01 through 23-06, 23-09</b>	<b>8/9/2023</b>
<b>City Manager, City of Lemon Grove</b>	<b>23-01 through 23-06, 23-09</b>	<b>8/9/2023</b>
<b>City Manager, City of National City</b>	<b>23-01 through 23-06, 23-09</b>	<b>8/9/2023</b>
<b>City Manager, City of Oceanside</b>	<b>23-01 through 23-06, 23-08</b>	<b>8/9/2023</b>
<b>City Manager, City of Poway</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Manager, City of San Marcos</b>	<b>23-01 through 23-06, 23-08</b>	<b>8/9/2023</b>
<b>City Manager, City of Santee</b>	<b>23-01 through 23-06</b>	<b>8/9/2023</b>
<b>City Manager, City of Solana Beach</b>	<b>23-01 through 23-07</b>	<b>8/9/2023</b>
<b>City Manager, City of Vista</b>	<b>23-01 through 23-06, 23-08</b>	<b>8/9/2023</b>